

Major and Clinton An imperfect

understanding



Indian budget Window closes on economic reform

Mr Motivator The dual career of Amar Bose Page 12



TOMORROW'S

The millionaire afraid

FRIDAY MARCH 17 1995

DM per 2

Sterling touches an all-time low against D-Mark

The Bundesbank council'a decision to leave its interest rates unchanged sent sterling falling to an all-time low against the D-Mark of DM2.2035, before recovering to finish in London at DM2.2088. The dollar also fell sharply, but recovered with a rally in US bond and equity markets to finish at DM1.3882, against DM1.3926. The US rise was prompted by economic figures encouraging the view that interest rates are on hold. The 30-year Treasury bond was up by a point at lunchtime, with the Dow Jones Industrial Average almost 30 points ahead at 4067. EU attacks dollar 'neglect', Page 2; Currencies. Page 27; World Stocks, Page 36

Republican plan for cuts: Republican leaders unvelled plans to slash government spending by \$190hn over the next five years as President Bill Clinton and his fellow Democrats attacked cuts.

Sacked Lonrho boss launches attack: Former Lonrho head Tiny Rowland has launched an emotional attack on Dieter Bock, the German financier who recently sacked him from the board of the UK company after 34 years at its head.

Barings given assurances: Senior executives of Barings, the collapsed UK merchant bank, were given daily reports indicating that the Singapore operations of trader Nick Leeson were not placing it at any risk, according to internal documents, Page 17; Liquidation sought, Page 20; Bonds, Page 26

Zedilio favours fiexible peso: The Mexican peso, which has fallen sharply since the country's bungled devaluation in December, weakened again in spite of this week's sharp increase in interest rates: President Ernesto Zedillo said he favoured the eventual shift to a more flexible exchange rate regime. Page 16

Fiat chief under investigation: Fiat chief executive, Cesare Romiti, is under investigation for Europe. For several months Italian magistrates in Turin have been investigating the billing method Fiat uses to supply cars to eastern Europe.

Croats threaten Bosnian pact: The Moslem-Croat federation in Bosnia appeared in danger of collapse after Bosnian Croats announced they would freeze all official contacts with their Moslem counterparts. Page 3

China denies WTO claim: China denied comments by US trade representative, Mickey Kantor, that it had agreed to resume talks next month on entering the World Trade Organisation.

Azerbaijani 'war' warning: Azerbaijani president Haydar Aliyev warned that the country was on "the brink of civil war" and federal troops were posted at key government buildings as the conflict between the president and an elite police force intensified. Page 2

Viacom sell-off plan setback: Attempts by US media group, Viacom, to sell its cable TV interests suffered a further setback when the Senate finance committee voted to block tax breaks for minority owners of communications companies. Page 20

White House wary on Iran sanctions: The Clinton administration backed away from efforts to tighten restrictions on trade with Iran, warning that tougher sanctions would hurt the US more than they would hurt Tehran. Page 7

New York bombing arrests: Pakistani police have arrested six men, four of them foreigners, for alleged connections to Ramzi Ahmed Yousef, a suspect in the 1993 New York World Trade Centre combing who was extradited to the US last month.

Rwandan food crisis warning: Up to 3m Rwandan refugees face starvation next month and a deepening food crisis could trigger another out-break of regional violence, British charities Oxfam and Save the Children said.

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Weekend FT

to go home

Italian

budget

motion

early general election.

ited mandate.

By Robert Graham in Rome

survives

confidence

The two-month-old Dini

government narrowly survived a

vote of confidence in Italy's chamber of deputies yesterday, temporarily thwarting the plans of Mr Silvio Berlusconi, the for-mer prime minister, to force an

Mr Lamberto Dini, the prime

minister, described the outcome,

which ensured the passage of a L20,000bn (\$12bn) mini-budget, as

"a victory for common sense". He

said the way was now clear to

concentrate on pensions reform, the last of the tasks he has pledged to tackle during his lim-

The package of tax increases

and spending cuts passed on the confidence motion - 315 votes in

favour, with 309 against and one abstention. The government had required 313 votes to achieve a

Before the outcome was clear,

the value of the lira oscillated

wildly, at one stage touching a new low against the D-Mark of L1,230. By the end of the day the

lira was still under pressure,

US president urged to attend Victory Day celebrations in Moscow

Yeltsin proposes Clinton visit

By Bruce Clark in Moscow

Mr Boris Yeltsin, the Russian president, yesterday urged US president Bill Clinton to visit Moscow for Victory Day celebra-tions in May, but made clear that he remained opposed to plans for the expansion of Nato. Looking alert and vigorous as

he received a small group of reporters at the Rremlin, Mr Yeltsin insisted he took the lead on economic policy, with Mr Victor Chernomyrdin, the prime minister, next in line. He angrily denied that members of his security service interfered in economic decisions.

To sweeten the invitation to Mr Clinton, the Russian president offered to avoid the traditional, conspicuous displays of military hardware at the celebrations. He also thanked the US president for his "calm and normal" response to the bloody war in Chechnya. Promising to maintain political stability in Russia, Mr Yeltsin said: "We do not expect any extreme situations or coups detat this year, even though the media here and abroad are writ-

ing about that." On the economy, he said priorities were to lift the private sector's share of output from 60 per cent to 80 per cent this year through further privatisation, and to reform the banking system: "Chernomyrdin and I have decided to follow a stricter financial policy this year."

While extending a warm invitation to Mr Clinton, the Russian president said US-Russian differences over Nato's expansion remained unresolved, and Moscow opposed US plans for early enlargement of the alliance. Referring to the celebrations planned for May 9, to mark the 50th anniversary of the allied vic-



Russian president Boris Yeltsin (centre) during a meeting with foreign newspaper journalists at the Kremlin yesterday. Press secretary Vyacheslav Kostikov (left) is to become Russia's new ambassador to the Vatican

tory over Nazi Germany, Mr Yelt-sin said: "[President Clinton] is somewhat concerned by the planning of the event, he does not want there to be a military parade...I think we will comply

with those preconditions."

Mr Yeltsin asserted, contrary to reports of continued conflict, that the situation in Chechnya would not be an obstacle to Mr Clinton's visit because "there are no military activities" in the

He said he and Mr Clinton had the "identical problem" of persuading legislators to ratify the Start-2 accord on reducing the number of long-range nuclear weapons, clearing the way for

negotiations on even deeper cuts. Senior Russian parliamentar-ians have expressed reluctance to ratify Start-2 as long as Nato is proposing rapid enlargement and the US is considering new antimissile defence systems. On Nato, Mr Yeltsin said: "Our

positions so far are different. We are against a sudden, accelerated, large-scale expansion of Nato.

"Look what is happening. All the countries of central and eastern Europe are going into Nato, so that the border of Nato will be on the border with Russia - and we again have two blocs, Russia and Nato... Does that correspond to European security? No. it does not, the situation will not be calmer (as a result)."

Mr Yeltsin said be was confi-

of the new company, said prices on big contracts had fallen by as

much as 30 per cent in the past

The two groups were mainly

complementary, with ABB strong

in heavy locomotives and electri-

cal equipment, while AEG speci-

dent the forthcoming conference on the Nuclear Non-Proliferation Treaty would agree on an indefinite extension of the accord. He said the conference should also start negotiations on the total elimination of nuclear weapons. an idea endorsed by Mr Clinton as a long-term aspiration but viewed sceptically by Britain and

Still master of the Kremlin,

alised in light and urban equip-ment. The main capacity overlap was in Germany, but neither side

would indicate the scale of

Asked what ABB would do

with the \$900m, Mr Barnevik said

the group was investing heavily

in Asia. "But if we cannot use it,

we will increase the dividend to

rationalisation to come.

shareholders," he said.

being quoted at L1,224, which reflected continued uncertainty over the Dini administration's ability to push through pensions reform and draft guidelines for the 1996 budget.

Mr Dini himself observed that the markets had largely discounted the mini-budget's approval: "Thus I don't expect significant improvements in the lira tomorrow; but certainly

> not been approved." The government was backed by the parties in the centre and on the left. They included 17 of the 39 deputies in Reconstructed Communism, formed from the hard line of the old Italian Communist party. They broke party discipline to support the auster-ity measures and their contribution was decisive.

there would have been a definite

deterioration if the package had

The centrist Popular party (PPI), in the process of splitting

Continued on Page 16 Unlikely allies save Italy's credibility, Page 2 Editorial Comment, Page 15 Lex, Page 16

Rail merger links ABB and Daimler-Benz

By lan Rodger in Berlin

Groups join to become biggest force in equipment

Asea Brown Boveri, the international electrical engineering group, and Daimler-Benz, the German industrial group, are creating the world's largest railway equipment business by joining forces in the DM80bn

(\$57.4bn) market. Mr Percy Barnevik, chief executive of ABB, said he hoped the move would kick off a much needed round of restructuring in the overcrowded sector.

Mr Edzard Reuter, the Daimler chief executive, said the venture was an important step towards Daimler's internationalisation. ABB is one of the world's three largest railway equipment suppli-ers, alongside Slemens of Ger-many and the British-French GEC-Alsthom alliance. The merger with the railway equipment arm of Daimler's troubled

The venture, to be called ABB Daimler-Benz Transportation, will employ 22,000 people in 40 countries, be headquartered in Berlin and retain main manufacturing centres in Germany, the UK and Scandinavia. ABB and Daimler will hold.

equal shares in it, and Daimler will pay ABB \$900m in cash to compensate for the smaller size and operating losses of the businesses it is contributing. The deal is subject to the

approval of the Daimler supervisory boards and German and European Community antitrust Both companies said there

were no grounds for rejection although the German Cartel office two years ago expressed

two main rivals, with a 1995 reservations about an aborted order intake estimated at merger plan by Siemens and the Utive who will be chief executive DMSbn.

AEG railway equipment division.

Mr Kaare Vagner, the ABB executive who will be chief executive of the new company, said prices Mr Barnevik said the merger

would strengthen the two groups in bidding for contracts at a time when protectionism in railway equipment procurement in many countries was giving way to a concern for cost effectiveness. Privatisation in many countries pointed to strong growth in the lucrative maintenance

The overall market was expected to grow by 7 or 8 per cent annually in the next few years as many industrialised countries turned to environmentally friendly railways to solve their transport problems and developing countries sought to upgrade their railway networks.

However, overcapacity meant that competition was excessive.

AEG subsidiary would make it about 40 per cent larger than its Toyota's UK project to lead Japanese pressure in Europe

By John Griffiths in London

Toyota's decision to double capacity of its UK car plant, con-firmed yesterday, will be followed by a number of other Japanese car projects in Europe, which has barely begun to feel the Japanese industry's competitive pressure, the chairman of Ford, Mr Alex

Trotman, said yesterday.
"The (Japanese) needle is only
about one-third in to the thigh of
European manufacturers." Mr Trotman added.

Commenting on the Toyota expansion during a flying visit to London, Mr Trotman, who heads the world's second largest vehicle producer, warned that complacency creeping into North America and Europe about the Japanese industry's current faltering sales performance in both regions was entirely misplaced.

counteract its problems of the strong yen and to recover from its domestic recession. "They will be back and they will be very strong," said Mr Trotman.

Under its expansion pro-gramme Toyota will introduce a second model, the next generation of the Corolla, to join the Carina E range on its assembly lines at Burnaston in Derbyshire, in the English Midlands, starting This will lift capacity to 200,000

cars a year and create an additional 1,000 jobs at Burnaston when the Corolla is in full production. The plant employs 1.740. At least 4,000 extra jobs are forecast to be created among its 200 component suppliers throughout Europe. Of these just over one half are based in the UK.

working "with amazing speed" to in Europe to £1.2bn. It was warmly welcomed yesterday by the British government, which had been trying for many months to persuade a seemingly reluctant Toyota to undertake the long-expected step.
Depressed European markets

and fierce competition have led to Toyota failing to meet its original production targets at Burnaston. It had hoped to reach full-ca-pacity output of 100,000 Carinas this year but now plans to make around 90,000. The addition of the second model is expected to give it more flexibility to respond to shifting market demands.

Mr Michael Heseltine, UK trade and industry secretary, described the move as "yet another vote of confidence in the UK as a favoured location for foreign

Toyota's expansion lifts its Details, Page 9 total manufacturing investment Japan's vehicle industry was S. CONTENTS Gold Markets __ int. Bond Service .. Managed Punds _____3031 FT Special Markets ___ II Comic Reset LIK News ____



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EU attack on

dollar neglect

Mr Yves-Thibault de Silguy, EU commissioner for monetary affairs, yesterday blamed recent turbulence in the currency

markets on a US policy of "benign neglect" towards the dollar.

Mr de Silguy called for a more co-ordinated response to cur-

rency instability through the Group of Seven industrialised

nations. On the recent upheaval which led to devaluations of the Spanish peseta and Portuguese escudo, Mr de Silguy

pointed to market worries about budget deficits in Europe, the

Mexican crisis, the collapse of UK bank Barings and the Kobe

earthquake as factors fuelling instability. Though Mr de Sil-

guy paid tribute to the US and European authorities for

co-ordinating their response to halting the dollars slide against

the D-Mark and Japanese yen, he argued it was time for the G7 to rediscover the economic policy co-ordination which it had pursued successfully in the 1980s. "The fate of the US

currency is a global phenomenon which requires a global response," he said. Lionel Barber, Brussels

The Bonn coalition government has begun cross-party talks on a long-term energy strategy. Headed by Mr Günter Recrodt and Ms Angela Merkel, the economics and environment minis-

ters, the government side is seeking consensus on an "energy

mix" that includes a commitment to nuclear generation.

German pay inflation fears

in this year's wage round.

German public sector workers added to fears of rising infla-

tionary pressures yesterday by calling for a 6 per cent pay rise

The pay claim led by the public service union OTV affects

3.4m employees in central, regional and local government

across east and west Germany. The pay claim, which was also

backed by 300,000 postal workers, follows recent settlements in

private sector industry of about 4 per cent, double the Bundes-

bank's objectiva of a 2 per cent inflation rate this year. Mr Herbert Mai, the OTV chairman, said yesterday: "Those who believe the public sector will accept lower increases than in industry have no contact with reality." David Marsh, Bonn

Protests over lay-offs by Alenia

Employees of Alenia, Italy's state-controlled aerospace and defence equipment manufacturer, yesterday demonstrated against plans to lay off workers in Turin and Naples as part of

Some 2,000 workers blocked railway lines at one of Turin's

stations for 20 minutes yesterday after unions called for action

against the plan, announced late on Wednesday. The company

is faced with a continued slump in demand, aggravated by cuts in governments' defence budgets. It plans to reorganise

its aerospace activities by concentrating manufacturing in a smaller number of specialised sites.

Alenia said yesterday that the plan would put up to 950 of

the division's 8,000 or so workers into cassa integrazione, the

state-funded temporary unemployment scheme. Under previ-

ous restructuring plans, some 1,500 employees have been laid

off, using similar state schemes to soften the blow. The main

impact of the plan will be felt at the group's Turin plants.

Tax vote for Polish parliament

Poland's parliament will make a final decision on 1995 per-

sonal tax levels next month after the constitutional tribunal

ruled they had been increased in an illegal way, the lower

Mr Jozef Zych told reporters that the ruling, which may

result in a \$700m shortfall in the government's revenues this

year, would have to be studied by a special parliamentary

The trihunal, which ensures proposed laws are in keeping

The lower house needs a two-thirds majority to overrule the

tribunal and the ruling left-wing coalition is just short of this

majority. Mr Jozef Oleksy, the prime minister, said the govern-

ment was working out a policy response in case the ruling was

not rejected and taxes had to be lowered. Tax rates may have

to be lowered to 20, 30 and 40 per cent from the 21, 23 and 44

Armenia has launched a big privatisation campaign, aiming to

sell 64 per cent of shares in 10 of its higgest enterprises for

privatisation certificates and cash, said Mr Zhirair Aramyan of

The first 10 companies to be sold include the former Soviet

republic's only car plant, an electrical equipment plant and a

pastry factory. The enterprises would be transformed into

joint stock companies and also open to foreign investors, he

said. Shares will be on sale in local auction centres for two

Armenia plans privatisations

with the constitution, ruled on Wednesday that the government had no right to impose higher tax levels, approved by

parliament in January, during the course of a fiscal year.

commission before the house could vote on it.

per cent in the current tax law. Reuter. Warsaw

A CASS TO SECTION ASSESSMENT

2 T 2.11 2.11 2.11 12...

German energy talks restart

in a statement to the European Parliament in Strasbourg.

EUROPEAN NEWS DIGEST

Talks open in Azerbaijan rebellion

By Chrystia Freeland

Azerbaijan's government yesterday began negotiating with a mutinous interior ministry police force, whom President Haydar Aliyev had accused of trying to stage a coup, the Russian news agency

Rar-Tass reported. Fighting between the two sides has reportedly claimed dozens of lives in the past few days. However, Mr Namik Abbasov, the interim security minister, said last night it had died down. He said the govern-

attack the headquarters of the elite OPON force because of the risk to civilians.

The conflict erupted into violence on Monday when OPON members attacked a police statlon in Baku, the capital. According to an unconfirmed report from Turan, the Azeri news agency, dozens of people have also died in clashes between the OPON and government troops in the northern region of Azerbaijan.

This week's political instability has raised concerns about the future of a \$7.4hn deal

ment was not olanning to Azerbaijan reached last year with western oil companies to develop oil fields in the Caspian Sea, but western businessmen in Baku said the struggle had not yet jeopardised their

> Appearing on Azeri television late on Wednesday night, President Aliyev accused Mr Rovshan Javadov, deputy inte-rior minister and commander of the OPON, of attempting to stage a coup. "Azerbaijan is again on the brink of civil war," he said, acknowledging that blood had already been spilt in the conflict.

"He [Javadov] and his brother have turned the Azeri crack police forces into their own field camp. If the Javadovs do not lay down their arms, the full severity of the law will be used against them."

Mr Alivey said. The current conflict was provoked when the Azeri government accused the OPON of smuggling strategic metals. notably copper, out of the country and ordered the 3,000-strong force dishanded. The OPON responded by seizing government buildings in two cities in northern Azerbaijan,

reportedly the area of the most intense fighting.

President Alivev, a former member of the communist politburo known for a tough style of governance, has already resisted one challenge from the OPON.

Last October, he declared a state of emergency after the unit held Azerbaijan's prosecutor general hostage for several hours. Mr Aliyev accused Mr Javadov of masterminding that incident and this week's fighting appears to be the next act in the power struggle between

yesterday that he was ready to reach a compromise with the president. Government negotiators told ltar-Tass that he was seeking the job of interior minister for himself and wanted his brother, Mr Makhir Javadov, to become prosecutor-general in exchange for ending the

stand-off. Although the Azeri government appears willing to talk to the rebels, on the evidence of his Wednesday night television address President Aliyev seems unlikely to admit the Javadov hrothers into his cahinet.

Chirac foreign

By David Buchan in Paris

Mr Jacques Chirac, now the front-runner in the presiden-

In the most closely watched

though he put no date on it. Stressing defence Issnes more than his rivals. Mr Chirac said that, if so advised by the military experts, he would, as president, rapidly resume nuclear weapon testing in the south Pacific. But he planned to comple with this action setting a date for "a final and total end" to such tests in the interest of disconraging

nnclear proliferation. Three years ago President François Mitterrand halted nnclear tests, forecasting that no successor of his would dare defy world opinion by resum-

Mr Chirac suggested that France might widen its current dialogue on nuclear weapon doctrine with the UK to other European countries, but also showed support for a Nato reformed to give its European members more say. Indeed, he proposed that Nato foreign and defence ministers separation devised for France which in 1966 gult the alliance's integrated command while remaining in its politi-

Mr Chirac, who in the late 1970s denounced Europe for reducing France to a vassal state, carefully gauged yesterday's speech to please pro-European centrists recently siding with him. In next year's EU constitutional conference, Mr Chirac said that, if elected to the Elysée, he would "give priority" to moving in lockstep with Chancellor Helmut Kohl of Germany. However, be appeared to show little of the German taste for reinforcing the European parliament, preferring instead to enhance the role of national legislatures.

Mr Valery Giscard d'Estaing, former president of France and now of the UDF, said yesterday he was pleased to see Mr Chirac take np his idea of a president-for-Europe. In his home base of Clermont-Ferrand, Mr Giscard d'Estaing is dne to join Mr Chirac at a rally this evening, in a move apparently marking the end of the two men's hostility of nearly 20 years and a further broadening of the Chl-

against the FFr130bn under-

written by the state - with no

However, Mr Francois D'Au-

bert, rapporteur of the parlia-

mentary inquiry that last sum-

mer was highly critical of

Crédit Lyonnais, said yester-

day he expected taxpayers

would bear some of the cost.

He reiterated his demand for a

special national assembly

The office of Mr Jacques Bar-

rot, chairman of the French

national assembly finance com-

mission, also confirmed yester-

day that he planned to go

ahead with an extraordinary

meeting of his group in early

April to discuss the package.

Similar discussions are expec-

ted from its counterpart in the

senate.

meeting to debate the plan.

cost to taxpayers.

agenda

tial race, yesterday promised to keep France a "first rank" power in the world, and to give its relations with Germany "a new impetus" to create together a stronger

cal deliberations.

rac campaign base.

sets out

The outcome of the talks, which could last until June, hinge on the attitude to nuclear energy of the opposition Social Democratic party (SPD). The last talks broka down over the issue in October 1993. In the late 1980s the SPD vowed to shut all nuclear power plants within 10 years of its being elected to government. However, there have been signs recently of disagreements over whether tha party should stick so rigidly to this policy. Another divisive issue on the agenda is financing for the uncompetitive coal industry until 2000. The coalition this week ruled out an energy tax to subsidise it by DM7.5hn (\$5.4hn) a year, deciding instead to provide the financing from the budget - at least for next year. Judy Dempsey, Berlin.

part of his speech ontlining his foreign policy platform, Mr Chirac recalled that he had supported the Maastricht treaty and said he was "personally committed to full realisation" of its provision for economic and monetary union,

The mayor of Paris's main focus was on the EU council of ministers, which he suggested should be headed by a president chosen for a three-year term to ensure the Union had "one face and one voice"

Unlikely allies save Italy's credibility Robert Graham in Rome reports on how he perverse logic of Italian poli-tics was on display in all its Berlusconi's outright opposition to the the ex-communists opted for fiscal has been dictated by his desire to see grubhy detail yesterday as the elections hy June. government of prime minister Lamresponsibility while Berlusconi's party of If reason has played a part in his berto Dini narrowly won a vote of confidence on its L20,000bn (£7.36bn) minicalculations, it is hard not to conclude that Mr Berfusconi fears being kept

The two-month-old government survived hy 315 votes to 309 with one abstention. This was thanks to a topsyturvy combination of alliances. Mr Dini was supported by the centreleft; those who were his opponents in the previous right-wing government of Mr Silvio Berlusconi where he was trea-

In contrast, Mr Berlusconi and his allies disowned Mr Dini. They voted against him even though as early as last November the media-magnate-turned-politician admitted corrections were necessary to achieve the 1995 budget

objectives. The decisive element in yesterday's vote was the split among the 39 deputies of Reconstructed Communism. formed from hardline remnants of the old Italian Communist party. Almost half ignored disciplinary action and voted for the government, fully aware that the package of austerity measures is unpopular. It will add nearly 1.400,000 a year to family budgets and increase

fiscal pressure in 1995 by 0.8 per cent. coalesced around two basic points. The first was a genuine sense of responsibility over the need to introduce correcbusiness played politics with the budget

down to 8 per cent of gross domestic product. They recognised that failure to approve the measures would lead to a Yet Mr Berlusconi and his allies have further disastrous erosion of ftaly's international credibility, with signifi-cant consequences for an already enfec-hled lira and with knock-on effects for the debt stock and inflation. Uncertainties over the budget have forced the lira to devalue 5 per cent against the D-Mark since January.

The centre-left, headed by the former communist Party of the Democratic Left (PDS), has thus chosen to play the responsible card of national interest, This attitude was especially relevant in the case of the centrist Popular party (PPI) which has split down the middle over whether or not to forge an elec-toral alliance with the PDS. Mr Rocco Buttiglione, the PPI leader, is committed to joining Mr Berlusconi's alliance to fight the April 23 regional elections; but he and his supporters backed the government despite strong pressure from the Berlusconi camp.

The position taken by the centre-left carried a potential electoral cost. The PDS-dominated coalition risks being ldentified in the next elections with also assumed an electoral risk by dissociating themselves from responsible

corrective measures and ignoring the consequences of a financial crisis that has begun to affect the pockets of their own electorate whose savings are in treasury bonds. In fact, Mr Berlusconi has managed to reverse the roles he set out to portray when he deserted his Fininvest business empire to enter poli-tics in January 1994. Then he portrayed the left as anti-business and liable to ruin the state's coffers; while he was pro-business and ready to put Italy's public finances in order.

But this has not been a hattle of saints and sinners. Of equal importance in the vote was the centre-left's determination to prevent Mr Berlusconi forcing the country towards early general elections on his own terms. For instance, no laws have yet been passed regulating the conflict of interest between his role as a politician and his ownership of Italy's second largest private husiness group. Nor are there any adequate rules for the use of television during elections. By the same token, Mr

wants a June election to ensure the postponement of three referendums whose outcome could not only strip him of two of his three television channels

away from power too long. (He was ousted in December on a vote of confi-

dence.) His opponents are convinced he

hut reduce his TV advertising income. After yesterday's vote there were loud cries from the PDS and populist Northern League: "And now for the referendums!" In reply Mr Berlusconi's supporters yelled: "Elections! Elections!" Mr Berlusconi is unlikely to be swayed from his goal of a June general election. He will now use every opportunity to demonstrate that the Dini govmajority. The very narrowness of yes-

ernment, composed of non-parliamentarians, lacks a coherent parliamentary terday's vote means that it will be even more difficult for the government to achieve its next objective of pensions reform. Here Mr Dini cannot rely on a split in the Reconstructed Communist vote - or on the PPI remaining united. The political atmosphere is also so poisoned that the centre left's aim of staving off elections until the autumn looks increasingly implausible

John Barham visits Istanbul's Shia neighbourhoods, site of two days of riots

Turkey's doubly shunned lick their wounds

hand written note taped to the window of a Moslem Shia community centre in Istanbul said simply: Wounded 108, dead 25 missing 70". Another listed the names of the missing.

They are the casualties of two days of rioting in the mainly Shia neighbourhood of Gaziosmanpasha which sparked off bomb attacks and more rioting in Istanbul and the Turkish capital Ankara. The death toll in the fighting, the worst clashes in two years,

is approaching 30. Everyone in the small crowd of men milling around the centre blames the police, and by extension, the government for

On Sunday evening, unidentified gunmen in a taxi machine-gunned several crowded tea shops in Gaziosmanpasha where people were watching a football match on television. Two men were killed. The police made no effort to give chase or investigate. Within hours, outraged Shias - known as Alewis in Turkey - had taken to the streets and attempted to storm the local police station.

"For years we had been suffering," said Turgay, a leather worker. "People are called into the police station as witnesses to a crime and sometimes they disappear or are found dead.

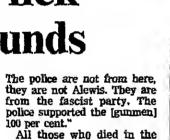
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100 per cent." All those who died in the rioting are believed to have been shot by police, who apparently were not trained in crowd control. Calm only returned to Gaziosmanpasha after the government pulled police off the streets and sent in troops.

The mood in the area was relaxed yesterday. A group of boys ambled along the streets laughing. "We defeated the police," one of them shouted.
"They've gone. The army is here. They are not against us."

The government may have dealt with the immediate cause of the rioting: tha police are confined to their station, surrounded by squads of soldiers and armoured cars. However, the poverty, despair and growing polarisation that is poisoning Turkish society will he much harder to solve.

Mrs Tansu Ciller, the prime minister, leading a divided and semi-paralysed coalition government, seems incapabla of decisive action. She hlamed the rioting in Gaziosmanpasha on foreign agents, to the derision of the local people.

The economy is slumped in perhaps its deepest crisis in 70 years. Turkey's big cities are overwhelmed by waves of fighting in the mainly Kurdish



istanbul police turn water cannon on demonstrators earlier this week in clashes over violence

south east, where an 11-year ethnic conflict is claiming 10

against the city's Alewi community

lives a day. Istanbul's population is growing by about half a million people a year Most migrants live crammed in slum dwellings that lack water and other basic amenities. Crime, prostitution and organised crime rackets are rife. Poverty is widespread.

"There is great unemploy-ment here," said one man in Gaziosmanpasha. "People live 10 or 15 to a house. There are water shortages, there are not enough schools." A teacher said: "Instead of responding to our needs, the state jails people for defending their rights.

The Alewis, who make np ahout a quarter of Turkey's population of 60m, practise a less strict form of Islam and traditionally support social democrat parties. They are active supporters of a secular

state which, in principle, grants them religious and political freedom. This pits them against the growing strength of the Islamist Refah party and Turkey's far-right Nationalist Action party (MHP), which is well-represented in the police and security forces.

from mainstream society. Turgay, who refused to give his full name, said: "f am an Alewi and I am a Kurd. I am discriminated against twice over. We are always the first to be sacked "

not discriminate between

any problem with them.

any Alewis are of Kurdish origin, fur Kurdish origin, fur-ther alienating them

Alewis stress that they have no quarrel with the Sunni majority. Mr Gülbey Aydın, an office worker, said: "I do not hide that I am an Alewi, f do

Sunni friends, I do not have Yet they and Turkey's westernised élite fear Refah and its

hardline Sunni militants. in 1993. Islamist fanatics massa. cred 37 artists and writers during an Alewi cultural festival. Last year Refah captured the mayorships of Istanhul and Ankara. With 20 to 22 per cent backing in the polls, Refah could win the next elections and attempt to establish an Islamic state.

The Alewis are the first to fear any slide towards ethnic, political or religious conflict. Several Alewi communities were massacred in the political violence of the 1970s. The street battles of those years are a distant memory now. However, as Turkey's multiple crises deepen. Mrs Ciller's inability to steer the country bodes

D'Hny had exceeded his jurisdiction. They

claim the magistrate has not received the

proper authorisation from the public prosecu-

The appeal may also be extended to other

ECONOMIC WATCH Italian trade surplus grows

the Privatisation Commission.

months. Reuter. Moscow

house's speaker said yesterday.

Trade balance (Line brit 40.000 ---20,000 -----

SOURCE ISTAT

1990 91 92 93 94

increased to a record L35,432bn (£13.4bn) last year, according to figures released yesterday by the national statistical office. In 1993, the first year after the September 1992 devaluation of the currency. Italy's trade surplus was L33,223hn. Although the lira rallied in the first half of last year, political uncertainty and concern about Italy's large budget deficit has kept the currency depressed since then. In 1994, Italy's surplus with the European Union narrowed slightly. Preliminary

Italy's trade surplus, holstered by the weak lira,

figures for December, also released yesterday, showed a trade deficit of L196bn with EU countries against a L698bn surplus a year earlier. The trade surplus with the US increased last year to L11,173bn against L8,141bn in 1993. The trade deficit in certain key industrial raw materials worsened in 1994. The increasing lira price of such imported goods threatens Italy's recovery by pushing up inflation, and deterring investment by italian companies. Andrew Hill, Milan

Swedish consumer prices rose by 0.4 per cent in February compared with the previous month, leaving the annual rate unchanged at 2.9 per cent. The central bank has set a 3 per cent ceiling hut this is expected to be breached as industry reaches capacity limits.

■ The French government has raised its official forecast for gross domestic product growth this year to 3.3 per cent from

French bank's board to ratify rescue plan forced to make good any losses

By Andrew Jack in Parts

The board of Crédit Lyonnais. the loss-making French statecontrolled bank, is due to meet this morning to ratify a second financial rescue package for the group.

The ratification comes as France's public sector watchdog confirmed that in the past few days it had handed the jus-tice ministry a series of reports on transactions at Altus, a Credit Lyonnais subsidiary, a move which could led to prosecutions.

The Cour des Comptes said it had passed on 19 dossiers each related to a transaction rather than an individual ~ and that investigations into other parts of the group were still under way.

It also emerged yesterday

Ridding in Paris. He has been banned from

European Union competition

commissioner, who has called

for an inquiry into the Crédit

Lyonnais rescue, has already

received recommendations on

the competition aspects of the

state rescue from a group com-

prising three heads of EU cen-

Meanwhile, the political fall-

tral banks.

tors' office to extend his inquiries from the running the transport, telecoms and engineeroriginal probe into alleged extortion of France ing group since Friday when Mr Jean-Marie Télécom by former Alcatel employees to probes D'Hny, a magistrate heading a case into alleged overhilling of France Télécom and the abuse of into Mr Suard's personal assets and building work done on his properties. company funds, placed him formally under senior Alcatel executive who have been placed Mr Suard's lawyers yesterday urged cancellaunder investigation in a series of probes linked tion of the investigation on the grounds that Mr to the alleged overbilling.

Mr Plerre Suard, embattled chairman of Alcatel

Alsthom, yesterday called for a fraud investiga-

tion against him to be cancelled, writes John

that Mr Karel Van Miert, the out triggered by details of the rescue package - which will be made public today - continued to make the bank an important issue in the presidential election campaign. The rescue package is likely to involve the French state

underwriting FFr130bn

(£16.4hn) in assets which will

balance sheet. At the same time, Crédit Lyonnais is expected to unveil full-year losses for 1994 of about FFr10bn, with potential losses on past loans of FFr50bn.

The second secon

Mr Edmond Alphandery, the economics minister, who has been co-ordinating negotiations with the bank, has said be removed from the bank's that Crédit Lyonnais will be

and the gradient of the contract of the contra

Virginia Marsh and Vincent Boland on fence-mending talks between Hungary, Romania and Slovakia

ungary and Romania yesterday failed to reach agreement on a bilateral treaty aimed at settling border disputes and minority rights despite intense western pressure to resolve their historic differences before a European Union conference in Paris next week.

Talks on a similar treaty between Hungary and Slovakia were continuing in Bratislava last night hut, after difficult and often tense negotiations in the past two weeks, officials on both sides were not optimistic.

Failure to agree the treaties would be a setback to the three countries' hopes of joining the European Union and Nato and would overshadow the EU conference on stability in postcommunist Europe at which Hungary's relations with Siovakia and Romania will be

high on the agenda. Western countries have made clear to eastern European countries aspiring for EU and Nato membership that they will not be admitted until they resolve bilateral differences and last year made the conference a deadline for the signing of the two treaties.

Mr Laszlo Kovacs, Hungarian foreign minister and Mr Teodor Melescanu, his Romanian counterpart, said after talks in Budapest yesterday there were too many outstanding issues for the treaty to be signed in Paris, Mr Kovacs said they had been unable to agree on which European minority rights provisions to include, especially those relating to local autonomy, education and language rights, and on control mechanisms to monitor

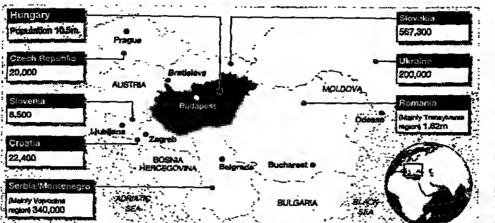
enforcement of the treaty.

Both ministers said moch progress had been made and that talks would continue but that the treaty was too important to be rushed through to satisfy western demands.

Budapest is pressing Bucharest and Bratislava to grant minorities extensive rights as outlined in Council of Europe and other European documents that Romania and Slovakia have signed. Both are resisting including all the recommendations in the treaty which will

be legally binding. Slovakia, whose 600,000 ethnic Hungarians are concen-trated along the border with Hungary, wants Budapest to recognise the permanent invio-lability of existing borders.

At stake for Hungary, a country of 10.3m, are the rights and status of the more than 3m ethnic Hungarians living in neighbouring countries. After the First World War, the AusHungarian populations in eastern Europe*



tro-Hungarian empire was carved up and Hungary lost two thirds of its territory and several million subjects. In the communist era. Hungary was forced to co-operate with Romania and the then Czechoslovakia as part of the Soviet bloc and the Warsaw Pact. But mutual distrust and tensions. heightened by the rise of nationalist politicians in all three countries, quickly

communism in 1989. Just four months after ethnic ist-led Hungarian government, which replaced a conservativecombined to overthrow the summer and made improve-Ceausescu regime in 1989, ment in bilateral relations a priority. As soon as be took office, prime minister Mr inter-ethnic fighting erupted in the Transylvanian town of Tirgu Mures, leaving several Gyula Horn said he was prepeople dead after one of the worst outbreaks of ethnically pared to recognise existing borders with Slovakia and inspired violence since the Sec-Romania - a step his predeces-

sors refused to take. The recent talks owe much Slovakia and Romania need resurfaced after the collapse of to the efforts of the new Socialthe treaties to improve their tarnished images in the west. The EU has consistently urged the two countries to speed up market-led and democratic reforms while their burnan and minority rights records have been attacked by the Council of Europe and international human rights organisations. countries have the difficult

task of finding a compromise which balances European inte-gration against considerable resistance to granting extensive minority rights at home. Neither government can afford to be seen by nationalist politicians, upon whom they rely, or by the majority populations to be caving in to Hungarian

For its part, the Hungarian government is being accused by the opposition and by ethnic Hungarian groups in Romania and Slovakia of not doing enough to protect their

Western diplomats say the treaties have taken on an undue symbolic significance within the countries and that the failure to sign them clouds recent improvements in regional business and economic ties. They still bope that after considerable progress on almost all issues, compromises

for bilaterals

By David Buchan in Paris

France is mounting as much diplomatic pressure as it can decently bring to bear on east European states to reach "good neighbourly" agreements on each other's minorities in time for the Conference on European Stability in Paris next

Foreign ministers of more than 50 members of the Organ-isation of Security and Co-operation in Europe (OSCE) will be invited at the end of the two-day conference next Tuesday to wrap up as many such bilateral accords as possible with a general declaration on the importance of "good neighbourliness" to political stability. The package of agreements will then be entrusted to the OSCE to monitor.

The aim of the conference is to ensure that east European countries solve their atavistic ethnic and frontier problems before they join the European Union. France holds the six-month presidency of the EU. A senior French official said

yesterday that the hilateral accords, enshrined in the sta-bility pact, "sbould facilitate enlargement of Nato as well as the EU to the east". US President Bill Clinton has underscored this point to some east European leaders.

Forming tha core of the pact are two sets of regional talks one centred on Hungarian minorities in Slovakia and Romania and the other on Russian minorities in the three Baltic states.

Howaver, Hungary and Romania yesterday failed to reach agreement on their bilateral treaty. Talks on a similar treaty between Hungary and Slovakia were continuing in Bratislava last night but officials on both sides were not optimistic of a positive out-come. The French prime minister, Mr Edouard Balladur. recently wrote a joint letter, along with Germany's Chancel-lor Helmut Kohl and Spain's prime minister. Mr Felipe González, to remind leaders of Hungary. Slovakia and Romania of the importance of the Paris conference as a psy-

chological deadline.
This helped produce the flurry of negotiations between Budapest, Bratislava and Bucharest. By contrast, in the Baltic roundtable talks. Latvia and Lithuania bave already reached some agreements with Russia on the Russian minorities, but progress with Estonia

Moslem-Croat pact in Bosnia may collapse

By Laura Siber in Belgrade

The Moslem-Croat federation in Bosnia yesterday appeared in danger of collapse after Bosnian Croats announced they would freeze all official contacts with their Moslem counterparts.

The Bosnian Croat presidential committee accused Moslem military leaders of being responsible for the disappear-ance of General Vlado Santic, local commander of the HVO, the Bosnian Croat militia. He was kidnapped on March 8 by Moslem soldiers in the Bibac area, the Moslem stronghold in north-western Bosnia.

7

Yesterday's announcement was a severe setback to the efforts of the US and Germany to bolster the Moslem-Croat federation in Bosnia. Mr Kresimir Zubak, the Croat bead of the federation, and President Franjo Tudiman of Croatia were in Washington yesterday to meet US President Bill Clinton to mark the one-year anniversary of the alliance.

President Alija Izetbegovic of Bosnia, a Moslem, at the last minute cancelled his visit on the grounds that he had a prior commitment to address the German parliament in

Brokered by the US, the federation agreement has never been implemented fully but it ended a year of bitter fighting between Moslems and Croats and raised hopes of them pnt-

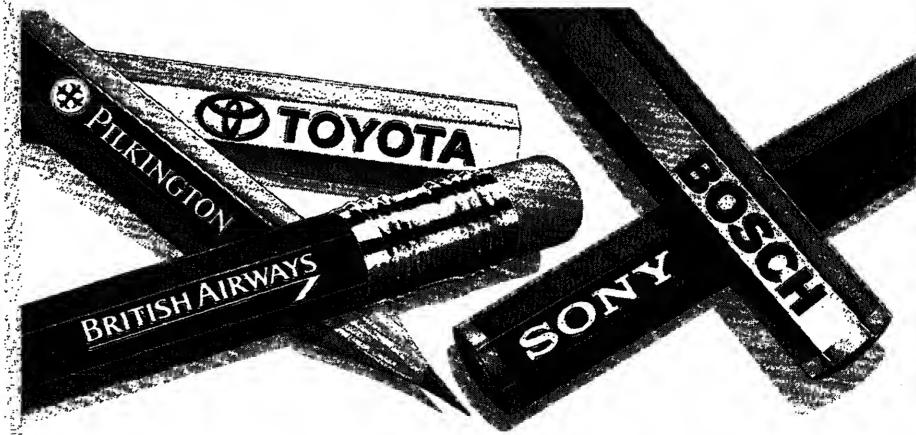
ting up a united front against the better-armed Serbs. Despite US military advice in merging the two forces, military co-operation so far has been tactical and sporadic.

Another sign that the feder ation was on the verge of collance was a new tax imposed by Croatia and the Bosnian Croats on all goods imported to or exported from landlocked Moslem-controlled territory. Mr Haris Sllajdzic, the Moslem prime minster, yester-day demanded that Mr Nikica Valentic, prime minister of Croatia, abolish the tax, reported Bosnian radio.

The break-down intensifies already heightened fears that all sides are preparing for more war when the countrywide ceasefire expires on May 1. The UN yesterday accused Bosnian Serbs of targeting British peacekeepers. Their patrol came under "deliberate and sustained" machine gun and cannon fire from Bosnian Serb positions near Gorazde, the Moslem enclave in the east, said Major Herve Gourmelon, a UN spokesman. A Serb military build-np has been reported to the west of Gorazde.

In response, the UN requested a stepped-np Nato air presence and a UN Quick Reaction Force team was despatched to the scene. It also came under fire, he said. The after night fell.

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Alternatively you can telephone our Customer Services Team on +44 1222 828820.

Porcine politics on Flanders field

A row over pig manure in Flanders has led to the down-fall of the regional Belgian government. It is only the second time that an environmental issue has caused the downfall of a government in Europe. The Dutch coalition government, weakened by in fighting over a range of issues, fell in 1969 over a row about scrapping tax breaks for commuters using their cars for work. The row erupted over new

laws to curb environmental damage caused by the extensive use of pig manure as a fertiliser. The law would have brought Flanders, the Dutchspeaking northern region of Belgium, into line with EU reg. ulations which in 1991 defined pig manure as a hazardous waste because of its high concentrations of nitrate and phos-

But farmers in Flanders which covers 45 per cent of Belgian territory, and has 8m pigs and am people - feared it would lead to the loss of 20,000

The Flemish government collapsed after a nationalist and three socialists walked out of a cabinet session following a refusal by Christian Democrats to debate the final text of the bill. The Flemish Socialist party had sponsored the legis-lation.

The plan involved limiting 9 ahead of elections in May.

the use of pig manure as a fertiliser to levels that could be absorbed by crops. Environmental evidence has shown that excess manure runs off into ground-water tables, polluting the water system. The tougher limits would have been phased in over a 10-year period to meet EU standards. The hill would also have limited the issue of permits for

or the expansion of existing farms. Levies would also have been imposed on the excess production of manure. The Flemish Christian People's party has a strong rural

new installations to breed pigs

base in Flanders where it is the dominant party.

Backed by a powerful agricultural lobby, the party resisted the legislation, arguing it would drive farmers out

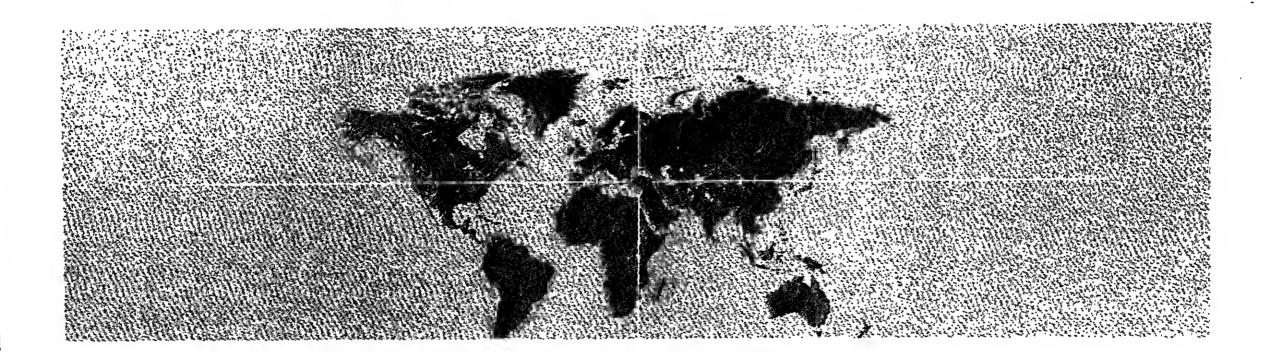
A powerful industrial lobby. consisting of construction, meat-processing and feed-stuff companies, also lobbied hard against the bill

The Socialist party, which contests the threat to jobs, has pointed to environmental evilence that the liberal distribution of pig manure was having devastating effects on water

The regional assemblies, of which the Flemish is one, are powerful law-making bodies in Belgium's complex federal structure. All Belgium's parliaments face dissolution on April

F

Turkey is not the center of the world ...It's just located there.



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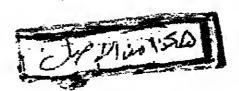
But Turkey has more than geographical access to offer. A nation of plenty, Turkey is home to industry and agriculture, commerce and services. The skilled workforce is highly entrepreneurial in spirit. The ethnically and culturally diverse population of 61 million is young and open to change. Sophisticated telecommunications networks ensure instantaneous connections with the rest of the world. New motorways traverse the country and air links to 84 domestic and international destinations make travelling a snap.

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NEWS: WORLD TRADE

China to scrap some investment incentives

By Tony Walker in Beiling

China plans to phase out preferential tax policies, including generous tax bolidays, for some categories of foreign investment under new guidelines to be issued soon aimed at directing funds to

In its early attempts to attract investment China provided incentives virtually across the board, but with bil-lions of dollars now flowing into the country Beijing feels it can be more selective. By midyear foreign direct investment in China is expected to reach

China has long foreshadowed new investment guidelines that would seek to redress the balance between the booming coastal areas and the relatively deprived hinterland. Beijing has also said that it wants to limit further growth of basic processing industries which it believes waste scarce energy resources. Thousands of these enterprises producing sucb items as shoes and toys have

been established in China's these sectors will also be southern regions.

The new guidelines specify investments which are to be encouraged, restrained and

 To be encouraged: undeveloped agricultural land, chemi-cal fibre, micro-electronics, precision machinery, civilian aircraft, biotechnology items, and infrastructure such as ports, highways and power sta-

 To be restrained: retailing, industries whose production bad already surpassed local demand such as televisiona and property

To be prohibited: network

telecommunications operations, newspaper publishing, casinos, projects which threaten the environment, and the mining of rare minerals.

The new policy guidelines are unspecific, to allow the authorities flexibility in their interpretation, but priority areas will retain tax advantages and possibly will be given access to soft loans. Companies which myest in

allowed to sell up to 100 per cent of their products in the domestic market. Preferential tax policies will be phased out for most activities that do not fall within category one priori-

infrastructure projects. The government also plans to provide incentives for investment in the deprived central and western parts of China, but only if such projects are in line with industrial pol-

ties such as agricultural and

The representative of an international lending institution said the new policy on investment was in line with expectations, especially on the "national treatment" Issue where there is no distinction drawn between domestic and foreign investment.

A western economist, specialised in the investment area, described the strategy as "mistaken". "They feel they can be more selective using industrial policy as a means of re-directing investment instead of the

Beijing denies Kantor claim on WTO talks

China yesterday denied that it had agreed to return to Geneva in mid-April to resume negotia-tions on entry to the World

Mr Mickey Kantor, the US trade representative, said earlier this week after talks with Chinese trade officials that Reijing would resume negotiations next month.

But yesterday Mr Shen Guofang, the foreign ministry spokesman, said Beijing would evaluate the attitudes of its WTO negotiating partners before deciding whether to resume talks.

China suspended discussion on WTO entry in December after its attempts to become a member of the world trade

of its forerunner, the General Agreement on Tariffs and Trade, members said China's offer on market access and other issues were unsatisfac-

tory.

Beijing previously blamed
of demands of the "exorbitant" demands of the US and its Gatt allies for the failure of the negotiations but Mr Shen said yesterday the US was now showing a "favourable" attitude towards China's application.

"China has yet to make a comprehensiva evaluation of the positions of the other contracting parties before it finally proceeds to multilateral discussions in Geneva." Mr Shen said China in its WTO application would "assume the obligations suitable to the level of its economic development," a reference to China's insistence that

it be granted lenient treatment as a "developing" country. Mr Roy MacLaren, Canada's international trade minister,

said yesterday that China was not yet ready to join the WTO. "We agree that China is a major trading country that should be within a worldwide trading arrangement, but not at any price," Mr MacLaren said in Melbourne.

"There are rules to be fol-lowed, requirements to be met, and in our view, China has not vet demonstrated fully its acceptance of the basic rules of the World Trade Organisation." The US, the EU, Australia, Canada and Japan are among WTO parties who are pressing China to show greater commitment to trade liberalis-

WORLD TRADE NEWS DIGEST

Smidth upgrades cement plants

Danisb group F. L. Smidtb yesterday announced two contracts for upgrading cament plants in Egypt and Thailand, while a Smidth subsidiary is to set up a ready-mix concrete opera-tion in Warsaw. In Egypt, a DKr170m (\$29.87m) invest ment will increase output by Alexandria Portland Cement by 20 per cent to 7,200 tonnes a day. In Thailand, investment of DKr75m will upgrade plants owned by Jalapathra Cement in the southern city of Cha Am and Takli, north of Bangkok, increasing the two factories' total cement output by 20 per cent to 6,900 tonnes a day. In Poland, Unicon Beton and the government-financed Danish Investment Fund for Central and Eastern Europe have agreed to set up a con-crete plant in the capital. Hilary Barnes, Copenhagen

- Peugeot will invest \$30m in new car and components-production facilities in Vietnam as part of a joint venture with Vietnam National Forestry Machines. The car plant will have initial annual capacity of 5,000 units. AFX, Hanoi
- Swedish telecoms group Ericsson has won two con-tracts from Central Japan Digital Phone (CDP) in Nagoya worth a total of SKr360m (\$50m), Ericsson will deliver mobile switches and radio base stations early in 1995 with commercial service scheduled for end-July. Reuter, Stockholm
- South Korea's Halla Engineering and Heavy Industries signed a \$188m contract with Malaysia's Negeri Sembilan Cement Industries to build a cement plant in Negeri Sembilan state, Reuter, Seoul

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US offer on financial services

By George Graham in Washington

The US has formally promised to give equal preferential sta-tus to all Gatt signatories in the financial services sector as long as other countries make substantial improvements in their offers to open up their financial services markets.

In a letter to Gatt members, the US said it was prepared to lift its reservation on whether it would allow foreign banks to benefit, like US hanks, from the liberalisation of US banking laws which maintain a mercial and investment bank-

The US said it would withdraw its exemption in the financial services sector from the Most Favoured Nation principle if the offers from other countries, due in by Wednesday, were improved.
While there is little actual

movement in the US position, Mr Jeffrey Sbafer, assistant Treasury secretary for international affairs, said the US hoped to encourage other countries by formalising its own offer to abandon the MFN

Mr Shafer said the US recog-

nised that market opening would have to be phased in, hut would not accept vague promises to liberalise in the future. "There must be a fixed date, and it has to he a reasonable one," he said.

The US reached its own bilateral deal with Japan on steps to open up the Japanese financial services market, but is concerned about a number of countries in south-east Asia and Latin America.

Some Asian countries have made considerable concessions to foreign hanks, but have been unwilling to include these in their Gatt offers because

facturers to buy more foreign

car parts are all advantages

"I believe American suppli-

ers can provide great value to

the Japanese automobile man-

ufacturers in Japan which will

put great pressure on the

Japanese parts industry to

reduce their costs in order

to compete." Mr Macher

Just over 10 years ago, the

yen was et Y282 to the dollar.

there were concerns over the

quality of Ford's components

and the keiretsu system of

intra-group company ties was

enjoyed by US companies.

they would then be unable to reverse them if Japanese institutions came to dominate their markets, as they fear.

The financial services section of the Gatt treaty could not he completed last year largely because the US was dissatisfied with the degree of market access offered by a range of countries in southeast Asia and Latin America.

If no deal is reached by the end of June, the US will apply a form of discretionary reciprocity, allowing free access to financial markets only for countries whose own financial

All action and no talk

While US negotiators try to persuade Japan to open its car parts market, US companies are quietly moving in, reports Michiyo Nakamoto

makers have been hav-ing measurable success in their efforts to further penetrate the Japanese car market, second largest in the

Ford yesterday celebrated starting work on its second technology development facility for car components in Japan and said it aims to increase sales of parts in Japan by as much as 30 times over the next five years.

Delco, the electronics components arm of General Motors, yesterday opened a new headquarters in Tokyo and said it would double the number of employees in Japan by the end of the year.

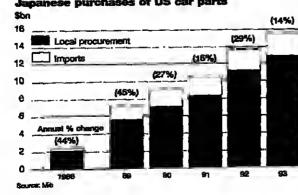
Mr Frank Macher, vice president of Ford's Automotive Components Division, said the company currently has sales of about \$300m to Japanese carmakers, of which \$290m was to transplant facilities in the US and only about \$10m to the Japanese market.

The company aims to double its sales to Japanese carmakers to \$600m by 2000, and hopes that most of the increase will come from business in the Japanese market. Sales in Japan of \$300m, about 30 times its current level, was "daunting", a company official seid, hnt not out of line with what others in the industry were

aiming for. Delco said it had sales in the Asia Pacific region of about \$170m last year, of which twothirds went to Japanese customers. However, only about a quarter of total sales to Japanese carmakers was in Japan,

Share of imported cars in Japanese market

4.0%



eccording to Mr Thomas Sheeban, president of Delco Electronics Asia.

Delco did not reveal its sales target for the Japanese market hut Mr Sheehan emphasised that the company is making a commitment to the Japanese market and expects to see strong growth in this husiness.

US component makers are confident the time is right to build up Japanese husiness. The yen's strength, the greater competitiveness of US parts makers, in terms of both cost and quality, and the pressure from bilateral trade negotiations for Japanese car manu-

most cases our prices are substantially lower than Japanese prices (and) our quality is now equal or better," he said. The yen's sharp appreciation has meant that Japanese parts

"In 1995, the yen is about Y90

to Y100 to the dollar . . . in

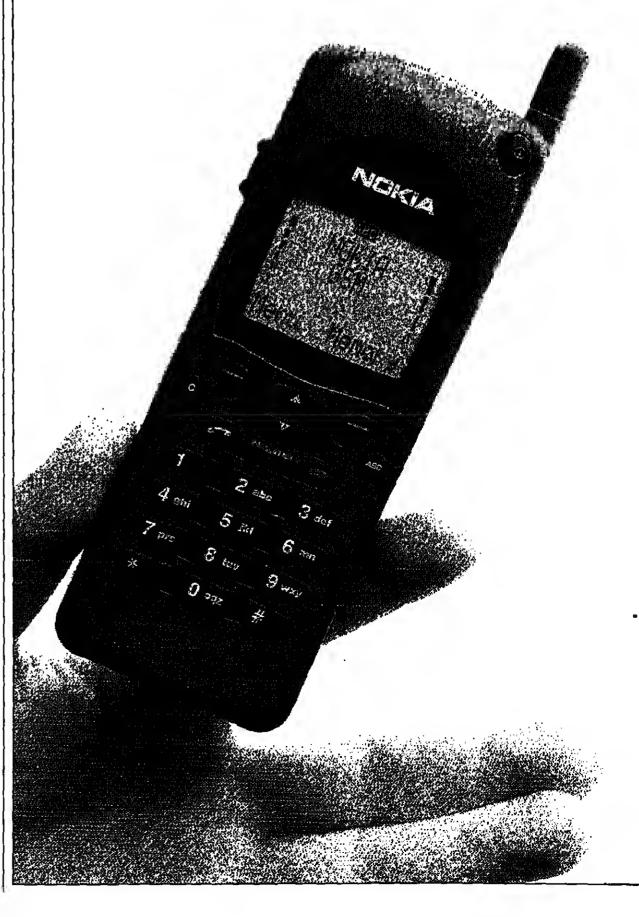
makers are under tremendous cost pressures. The plight of the Japanese industry bas given US parts makers a tremendous opportunity to expand their presence not only in the Japanesa market but also in south-east Asia, where Japanese car companies have significant transplant

Ironically, the confidence of tha two US parts makers contrasts with the mood surrounding tha US-Japan bilateral trade talks on opening up the Japanese market for cars and car parts. The talks, which have been

going on since autumn 1993, have failed so far to produce any agreement on what measures could be adopted to make Japanese markets more accessible to foreign cars and car parts makers.

Mr Mickey Kantor, US Trade Representative, on Wednesday expressed dissatisfaction with the Japanese government's proposed deregulation package which failed to include measures to open up Japan's tightly regulated vehicle parts spares market, for which the US had been asking.

The two sides are still far from egreement and a Japanese government official said no date bas yet been set for the very strong, Mr Macher noted. next meeting.



President Ernesto Zedillo of Mexico has indicated his preference for a flexible exchange rate policy to encourage exports and avoid the kind of peso overvaluation problems which led to the country's financial crisis.

In an interview Mr Zedillo said too much emphasis had been laid on the exchange rate to bring down inflation. The experience of the last decade "has not been very fortunate".

When we have had a devaluation, the export sector has reacted very quickly, but then we have put too much of a burden on the nominal exchange rate to attack inflation. That has meant, sooner or later, an overvaluation of the exchange rate and a retreat in the export sector," he said.

"I think that has been very bad for our economy so I intend to push a policy in which we will be seeking stable prices but will not put too much of a burden on the

The peso has been floating since December 22 when the government abandoned efforts to hold an exchange rate floor. Mr Zedillo's government is under pressure from business leaders to establish a new exchange rate regime to reduce uncertainty about the peso, but the president said that could not be done at present because of a lack of foreign exchange

"As soon as we are able to accumulate a significant level of reserves, I think we should move into a more predictable exchange rate policy," he said. His exchange rate proposal would mark

a pronounced shift with the past. Successive Mexican governments have used the exchange rate as a central tool in the fight against inflation, but this has led to damaging devaluations four times in the past

Mr Zedillo said the export sector would

for the economy, and this would require putting guidelines in place allowing exporters "to foresee the evolution of the nominal exchange rate". The government would aim, he suggested, to preserve very approximately the real value of the exchange rate

Such a policy is similar to Chile's current exchange rate regime, where the currency is allowed to fluctuate within broad bands set with reference to a calculation of the real exchange rate. The policy has been credited with helping exporters and skewing investment over time into the

The president said a currency hoard arrangement - in which Mexican currency could only be issued if backed by foreign exchange reserves - could only work if "you believe you can have international inflation levels and in order to answer that you have to answer many other ques-tions".

r Zedillo appeared calm and self-contained, despite the economic and political crisis that has raged almost since he took office. In contrast to his predecessor Mr Carlos Salinas, he gave the interview alone, rather than surrounded by advisers and other attendants. His office contained a picture of Mr Luis Donaldo Colosio, the ruling party's presidential candidate who was murdered last in March last year, and was in keeping with his image of personal aus-

Austerity was the message of a tough economic package announced by the government last week which is likely to result in a deep recession this year. Mr Zedillo said this was a programme aimed at overcoming an economic emergency.

In the long run, he said, "we want a growing economy and that should he

on the promotion of domestic savings". "We know that for that we have to undergo very substantial tax and institutional reforms that we will be developing over the next few months."

He said that there was no reason to change any of the structural economic reforms so far undertaken in Mexico. Figures released late on Wednesday

suggested Mr Zedillo's expectation of a rapid rise in exports could be fulfilled. Preliminary figures from the Bank of Mexico suggested that the country's trade swung into surplus in February for the first time since November 1990. The surplus of \$452m, which compares with a \$530m deficit in January and a \$1.51bn deficit in Fehruary 1994, suggested the current account of the balance of payments was broadly in balance, the central bank

The turnaround was the result of a rise in exports to \$5.62bn, 24.1 per cent higher

than in February last year, while imports fell 14.4 per cent compared with a year earlier to \$5.17bn. Imports not related to subsequent exports fell 28.4 per cent, the central bank said,

Despite the announcement of the programme, broadly greeted by investors as coherent though belated, the peso continues under pressure. Yesterday, the rate stood at 7.09 to the dollar, compared with 6.95 on Wednesday.

Mr Mauricio González, head of GEA, an economic consultancy based in Mexico City, said his projections suggested that it would be the turnaround in the country's current account - rather than any change in heart by international investors - that would begin to turn the peso around. These benefits could begin to come through within weeks, he said. The trade surplus could rise to as high as \$2.3bn-\$2.4bn in May and June, he said.

Long haul towards the rule of law

Crawford in Mexico City

Mr Antonio Lozano, Mexico's chief law enforcement officer. has achieved in three months the stature of national hero. Until President Ernesto Zedillo asked him to take the post of attorney-general in December, Mr Lozano was a little-known defence lawyer at the opposition National Action

Party (PAN). Now, he is known throughout the country as the man who dared to put the brother of former president Carlos Salinas behind bars on charges of murder - a move heralded as a profound departure from a past where those with powerful political connections have been

Mexicans were amazed at the audacity and have begun to admire Mr Lozano's efforts to establish the independence of Mexico's discredited judicial

But Mr Lozano's popularity is based on more than his decision to prosecute Mr Raul Salinas. He has also uncovered an

sination of Mr Luis Donaldo Colosio, presidential candidate of the ruling Institutional Revolutionary Party (PRI), in March last year. The murder was being depicted as the work of a deranged, lone assassin.

Also, his office has exposed an alleged cover-np in the investigation of the murder last September of the PRI's secretary general, Mr José Francisco Ruiz Massieu, which Mr Raul Salinas is accused of having masterminded. In a bizarre turn of events, the man charged with the cover-up is Mr Mario Ruiz Massieu, the dead man's brother, who was deputy attorney-general in the last year of the Salinas administration which stepped down

Mr Mario Ruiz Massieu fled to the US in the face of allegations of forgery and intimidation of witnesses in an attempt to shield Mr Raul Salinas from appearing as a suspect in the inquiry the former law official was leading into his hrother's slaying. Mr Mario Ruiz Massieu was arrested in Newark, in the US, 13 days ago as be

Madrid. Mexico has requested his extradition.

A strong incentive for a cover-up could have come from some \$6.9m (£4.3m) Mr Mario Ruiz Massieu is alleged to have held in US hank accounts. Twenty-two deposits were made from Fabruary to November 1994," Mr Lozano said, "We have proof the accounts were in his name and that he tried to withdraw funds when he

Mr Lozano believes a civil servant such as Mr Mario Ruiz Massieu could only have amassed such a fortune if he had been in the pay of drug cartels, or if he had "anctioned" jobs in the attorneygeneral's office to those who stood to benefit from turning a blind eye to the drug trade.

Mr Ruiz Massieu, who as deputy attorney-general was also Mexico's top drug enforcement officer, has proclaimed

"There is evidence that drug traffickers now wield enormous economic power with which they can infiltrate government," Mr Lozano said. "It could become a problem of national security."
"I took the decision [to appoint him! so that no-one could say the attorney-general was working merely in the interests of the president." Mr Zedillo said in an interview. "I gave him only one instruction:

do your job according to what is established by law." "I was not in favour of Lozano taking on the worst joh in Zedillo's government," admitted Mr Luis Felipe Calderón, the PAN's secretary-general. "But now I must recognise he is doing a great joh. He is rescuing the credibility of the

attorney-general's office."
"Re-establishing rule of law implies overturning a deeplyimbedded culture which the country can no longer sustain," Mr Lozano said,

"It will be a long process. There will be many obstacles, and resistance from those who have an interest in keeping the system the way it is, but we have to start somewhere. People support us because they perceive this is the only way to achieve radical change, equality, justice and the possibility



The head of state and his top lawman: President Ernesto Zedillo (left) and attorney-general Antonio Lozano, pictured late last year when the former proposed reforms to the Mexican judicial system. They face an uphill struggle to make them stick

Spanish go home smiling despite empty nets

Bernard Simon watches the Estai leave Newfoundland after a turbot-charged dispute on the high seas

In a part of the world that prides itself on its rich musical traditions, a local Newfoundland radio station yesterday morning played a lively adaptation of that all moreovity trues. Places of that all moreovity trues are reasonable for the state of th Spanish Eyes. It began with the line: You Spanish guys, will no more eat turbot with your fries ..."
For a bitter dispute that saw an

armed Canadian pursuit on the high seas, the deployment of Spanish naval vessels, and transatlantic sabre-rattling, the affair of the Greenland hallbut ended in remarkably

Down at the docks in St John's, Mr

"The ship is beautiful," said the admiring ambassador, who gave every appearance of enjoying his week in the international spotlight. The Canadians, who accused the Estai of breaking almost every international fishing rule, were typically

warmed its engines, and journalists crowded the ship's decks for their final interviews with the vessel's 27-

The contrast with last Sunday was extreme. Then the Estai sailed into St John's under escort as thousands of Newfoundlanders lined the hills around the pretty harbour to vent their anger at the modern day Spanish "pirate".

Less than a hundred people were on hand on Wednesday evening to see A protocol officer from Ottawa was on hand at the quayside, a handful of time the Estai sailed, most of the

Mounties chatted quietly as the Estal onlookers had decided finding shelter from the icy St John's weather was more rewarding than watching

another bunch of fishermen go bome. Kstai's crew spent their time under siege from reporters in the Hotel Newfoundland, St John's posbest

Canada has long blamed foreign trawlers, especially from Spain and Portugal, for depleting fish stocks around the Grand Banks. This anger prompted Canadian officials to appre-hend the Estai ontside Canadian ter-

"I don't blame the crew," said one unemployed fish plant worker in his rich Newfie accent, more Irish than North American. "We Newfoundlanthings, catching small fish." A woman nearby chipped in: "Our government is most to blame. They thought the fish stocks would last

The seizure of the Estai and consequent publicity bad been a big morale booster for Newfoundland. A porter at the Hotel Newfoundland said the excitement was over "till they hauls the next one in".

about prospects for a satisfac-

tory settlement, he said: "The

most important steps are those

that have yet to be taken. A

war has many battles, many

manoeuvres and preliminary

Mr Fraga said a tough stance

was needed to ensure that the

Galician fleet could continue

fishing in international waters

off Newfoundland. The local

fishing industry bad adapted

had opened up markets for Greenland halibut, especially

AMERICAN NEWS DIGEST

FDA plans to speed approvals

medicines are available in the US, plans to speed up its approvals process. The change could add billions of dollars a year to drug industry revenues. The FDA said it was proposing reforms ranging from allowing drugs companies to change some manufacturing processes without prior FDA approval to ending pre-market reviews of some medical devices.

The move is part of the Clinton administration's efforts to cut red tape. President Bill Clinton yesterday said be was also taking steps to simplify environmental regulations in an effort to promote efficiency and cut costs for small business. Conservative lobby groups in Washington have argued that FDA-led delays have harmed the health of US citizens. The FDA has said that in Europe, where approvals are often quicker, more drugs are subsequently found to be inadequate or dangerous. It has also pointed out that the approval time, typically less than two years, is only a small proportion of the eight-year or more sequence of research and development a new drug usually requires. Drug sales in the US last year were

Report 'backs affirmative action'

worth \$54hn (£34hn). Daniel Green, London

Women and minorities are still excluded from the upper echelons of corporate power, mostly because of entrenched white male attitudes, according to the federal Glass Ceiling Commis-sion. The White House seized on the report as proof that there was still need for affirmative action laws. White men comprise 43 per cent of the labour force but occupy 95 per cent of management jobs at the level of vice president and above. White women have had greater success in middle management, holding nearly 40 per cent of positions, but black women bold only 5 per cent and black men 4 per cent.

Pay discrepancies mirror management rank. The mean income for white male executives in manufacturing was nearly \$60,000 a year and for white women just over \$30,000. The respective figures for black men and women were about \$48,000 and \$38,000 but lower in other sectors. The report found that many white male managers "view the inclusion of minorities and women as a direct threat to their own chances for advancement". The bipartisan commission was first proposed in 1990 hy Mrs Elizabeth Dole then secretary of labour, and established a year later under legislation sponsored by her busband, Senator Robert Dole, now the majority leader. Jurek

US consumer prices edge up

US consumer prices advanced moderately in February, the government said yesterday, indicating that inflation remains largely in check. The Labour Department's Consumer Price Index rose 0.3 per cent last month, matching January's rise. After factoring out volatile food and energy costs, the closely watched core rate of inflation also rose 0.3 per cent compared to a January gain of 0.4 per cent.

The February core rate also matched economists' expectations. The report showed that food and drink prices were up 0.3 per cent in February after falling 0.2 per cent in January. But coffee prices fell 2.3 per cent, the biggest decline since a drop of 2.7 per cent in September 1989. The department reported on Wednesday that producer prices rose moderately for the second consecutive month in February, climbing 0.3 per cent. Reuter, Washington

Ottawa acts over dock strike

Canada's government has introduced legislation in Ottawa to force 500 striking Vancouver dock foremen back to work and to get grain and container shipments moving again. The foremen walked out on Monday and longshoremen refused to cross picket lines. The port of Montreal remained closed by a contract dispute with longsboremen which has caused a heavy backlog of container shipments to Europe. Meanwhile negotiations continued between Canadian Pacific and locked-out maintenance workers who have been disrupting rail freight. Robert Gibbens, Montreal

EU and Canada talk in effort to end fishing row the conflict was not yet over. Although be was optimistic

By Caroline Southey in Brussels and David White

European Union and Canadian officials yesterday held their first formal hilateral meeting to resolve the row over fishing rights off Newfoundland as both sides agreed to avoid provocative actions.

Officials said EU trawlers had undertaken not to fish in the highly sensitive grounds known as the Nose and Tail of the Grand Banks just outside Canada's 200-mile limit. Canada has undertaken not to take any action against dian officials.

By Haig Simonian,

of South America.

destined for Japan.

as varying its speed.

An extraordinary game of cat

and mouse is taking place

between Greenpeace and Brit-ish Nuclear Fuels (BNFL) in some of the world's stormiest

waters along the southern tip

The chase is between the Solo, a vessel owned by the

environmental pressure group,

cially equipped BNFL

port of Cherbourg in France on February 23 with a cargo of

high-level radioactive waste

Since then it has been shad-

owed by the Solo despite

attempts to keep its route

secret, and has been adopting a

variety of dodging tactics such

The battle of wills has been

taking place against the back-

drop of legal measures by

BNFL to try to avoid possible is at sea.

The Pacific Pintail left the

and the Pacific Pintail, a spe

EU trawlers. Mr Douglas Hurd, the UK foreign secretary, in an attempt to help broker a deal, said he had urged his Cana-dian and Spanish counterparts to "proceed urgently through negotiation. Both sides should

Greenpeace and nuclear

freighter in stormy chase

The route of the

ARGENTINA

publicity stunts by the Green-

peace vessel. Earlier this

month BNFL successfully took

out an injunction in the British

courts to keep the Greenpeace

ship, and certain members of

the movement, at a safe dis-

tance while the Pacific Pintail

FRANCE /

Pacific Pintail

avoid actions which make a solution more difficult." he

The release on Wednesday of the Spanish trawler Estai, seized by Canada outside the 200-mile limit, ended the diplomatic impasse and allowed for the resumption of contacts between senior EU and Cana-

The talks in Brussels were aimed at addressing contentious issues bilaterally before a meeting of the North-West Atlantic Fisheries Organisation (Nafo) in Brussels from March 22 to 24. Nafo is responsible for fishing grounds in the Nose and Tail of the Grand Banks. The talks were expec-ted to concentrate on allocation and enforcement of a fishing quota for Greenland halibut, called turbot in Canada.

share-out of the 27,000 tonne

quota. The original allocation,

The freighter now seems cer-

tain to round Cape Horn, one

of the world's least clement

locations with its Roaring For-ties winds and risk of icebergs.

the latest safety equipment,

including computerised naviga-tional gear, and can neg-

The Pacific Pintail is one of

otiate any potential hazard.

customers around the world.

It is being used by Cogema,

the French stata nuclear

group, returning high-level

plant at La Hague in Nor-

mandy to customers in Japan.

ago by another BNFL vessel on

behalf of Cogema attracted

huge publicity because of its

cargo of plutonium. Its route

involved sailing around the

Cape of Good Hope and

A similar journey two years

BNFL says the freighter has

The two sides will try and find an acceptable formula to

which was at the centre of the Canada if necessary. dispute, allowed Canada 60 per cent of the quota and the EU 12 per cent. The EU also wants Canada

to review protection laws intro-duced on March 3 which extend Canadian authority beyond its 200-mile limit. Canada will be pressing for tighter enforcement procedures to ensure that the quota is not

Despite the release of the trawler, Mr Luis Atienza, Spanisb agriculture and fisheries minister, said Spain and the EU would continue to prepare measures to bring pressure on

The Madrid government was not a party to the deal under which the Estai's owners, the Vigo-based company Pereira, posted a C\$500,000 bond for the release of the freezer trawler.

Mr Atienza said. The deal did not imply that Spain recognised the legality of Canada's action in seizing the vessel last week, or Canada's jurisdiction in international waters outside its 200-mile zone. In the northwestern Spanish

Manuel Fraga said yesterday

region of Galicia, where Spain's Greenland halibut fleet is based, regional president Mr

Brazil will support import tariff increase in Mercosur

By Angus Foster in São Paulo

will support Argentina's proposal to increase import tariffs for the Mercosur customs union. despite concerns that the change is a setback for Brazīl's economic opening and could add to inflation. Mr José Artur Denot

four specially converted freighters used by BNFL to Medeiros, Brazil's main Mercosur negotiator, said a "small ferry nuclear materials to its npward adjustment" was being discussed for the common external tariffs, which range from zero to 20 per cent and are levied on imports from waste from its reprocessing outside Mercosur.

"It is not a change in policy; it is a provisional adjustment due to changed circumstances and the need to protect trade balances, especially in Argentina," he said. The proposal, which is likely to lead to an increase by two

or three percentage points in the tariffs, will be discussed at

a meeting next week with the

other two Mercosur partners.

Urugusy and Paragusy.

Brazil has been opening its economy to foreign competition since 1990, and bas accelerated the process in the last year after the launch of its new currency, the Real. But a sudden surge in imports, as well as international concern about the financial crises in

Mexico and Argentina, seems

to have persuaded the government to change tack. Brazil's trade balance has been in deficit since November, the first time for nearly eight years. The deficit in February is expected to have widened to more than \$1bo (£625m), the biggest shortfall on record.

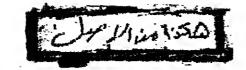
Uncertainty about exchange rate policy following a 7 per cent devaluation by Brazil last week has also prompted an ontflow of foreign investment, which has reached \$2.9bn so far this month, compared to \$187.8m for all of February. Some economists said the policy change was understand-

higher tariffs may prompt a surge of imports by traders trying to close contracts before the new tariffs apply. A similar rush of orders for imported cars is being blamed for February's hig deficit. Higher tariffs may also add

to inflation, which was already expected to start edging upwards. The government relied on cheaper imports to keep a lid on domestic prices after the Real's success had led to a sharp rise in demand. The tariff change, combined with the devaluation last week, is expected to start putting pressure on prices from the end of April as domestic producers seize the opportunity to raise them.

According to one official, such increases would come at a "delicate moment". The government has already approved a 43 per cent increase in the national minimum wage from May 1, likely to lead to another consumption surge.

attracted widespread opposition from countries along the



NEWS: INTERNATIONAL

away from Iran sanctions

The Clinton administration yesterday backed away from efforts to tighten restrictions on trade with Iran, warning that they would burt the US more than Tehran, unless supported by other major trading

Mr Peter Tarnoff, under-secretary of state for political affairs, told a Senate committee the administration had not ruled out further measures after its move earlier this week to block US oil companies from helping Iran develop its petroleum resources.

But other members of the Group of Seven leading industrial nations did not share the US view of the best strategy to adopt towards Iran, he warned.

"Based on my experience with the G7. I believe we will not be able to convince other major trading partners of Iran to adopt prohibitions on trade in non-aensitive goods," Mr Tarnoff told the Senate bankgovernment of Iran," Mr Tar-

He also warned against attempting to impose sanctions on foreign aubsidiaries of US companies that do business with Iran, which he said could provoke complex international litigation.

President Bill Clinton's executive order earlier this week to har US oil companies from helping Iran to develop its petroleum reserves blocked a deal signed by a Dutch subsidiary of Conoco, the Du Pont affiliate, to develop the Sirri A and E fields near the Straits of Hormuz.

Mr Michael Stinson, a. Conoco vice president, told the hanking committee that the Sirri fields were within sight of existing fields operated in Dubai territorial waters by his company, and warned that other countries would be happy to develop the fields if Iran wished.

The administration's admission of reluctance to take further economic measures against Iran came as Mr William Perry, the defence secretary, prepared to travel to Saudi Arabia and the Gulf emirates in an effort to bolster the military component of the US strategy of dual contain-

ment of Iran and Iraq. The visit follows concern Iran had positioned missiles and increased troops on a number of small islands at the mouth of the Hormuz Straits.

Clinton backs | Kazakh deputies fall victim in reform battle

John Thornhill on why a mild, progressive president is taking tough action

ursultan Nazarbayev, president of oil rich Kazakhstan, has shed many of his old-school communist instincts and developed a reputation as one of the more progressive leaders in central Asia, pursuing mild economic reform, permitting the develop-ment of a relatively free press and ostentatiously courting

western investors.
But like other reformist leaders in the former Soviet Union he has not shied away from tough action when faced with obstruction from a conservative parliament.

At the weekend he dissolved parliament in the second biggest state in the former Soviet Union and promised to call fresh elections in an attempt to produce a more amenable legislative body.

reform agendas, they have invariably clashed with partiamentary deputies who have Mr Nazarbayev said an inherited the instincts and atti-

investigation had proved that last year's parliamentary elections were invalid. But opponents of his reform programme say the president simply used this as a pretext for seizing greater power and was inteot on ruling indefinitely by

The political tensions which bave gripped Kazakhstan reflect those common in many former Soviet states. While the executive powers, which are generally exposed to broader international perspectives and harsh macro-economic reali-ties, have tended to espouse

tudes of the old regime. The social pain caused by the early stages of economic transition means genuine political grievancea are also reflected in parliament. The 29 per cent fall in industrial out-

put in Kazakhstan last year has led to much popular disen-chantment with the concept of "reform". Other presidents in the former Soviet Union – including Mr Boris Yeltsin in Russia and Mr Askar Akayev in Kyrgyzstan - have both had to resort to extraordinary means when

> Supreme Soviet, to resolve the political impasse in the coun-Last year. Mr Akayev in Kyrgyzstan was similarly forced to dissolve parliament. stage a constitutional referendum, and call fresh parliamentary elections in an attempt to

their reformist agendas were

blocked by obstructive parlia-

ments. In October 1993 Presi-

dent Boris Yeltsin sent tanks

to fire on the White House, which then housed the

win support for his reforms. And in Belarus, the chairman of the parliament yester-day accused President Alexangrab for power by suggesting that parliament would be dis-solved. Mr Lukashenko has fiercely criticised the Sovietera parliament for being obstructive and dishonest.

It is difficult to tell bow the crisis in Kazakhstan will play itself out. A group of about 100 rebel deputies yesterday formed an alternative "people'a parliament" in opposition to Mr Nazarbayev hot did not appear to have mustered much support. The deputies also appear reluctant to use force in

defence of their position.

For his part, Mr Nazarbayev has proved himself to be conciliatory by temperament, although he embodies the con-tradictions between continuity and change that characterise politics in central Asia. As the former communist party boss of Kazakhstan, Mr Nazarbayev was one of the few non-Russians to have a seat in President Mikhail Gorbachev's politburo. The prominence he achieved at that time ensured he was elected as the first president of the independent Kaz-akhstan in December 1991.

But Mr Nazarbayev has had to tread a careful political path ethnic tensions. Although there are more than 100 different nationalities within Kazakhstan, about 40 per cent of

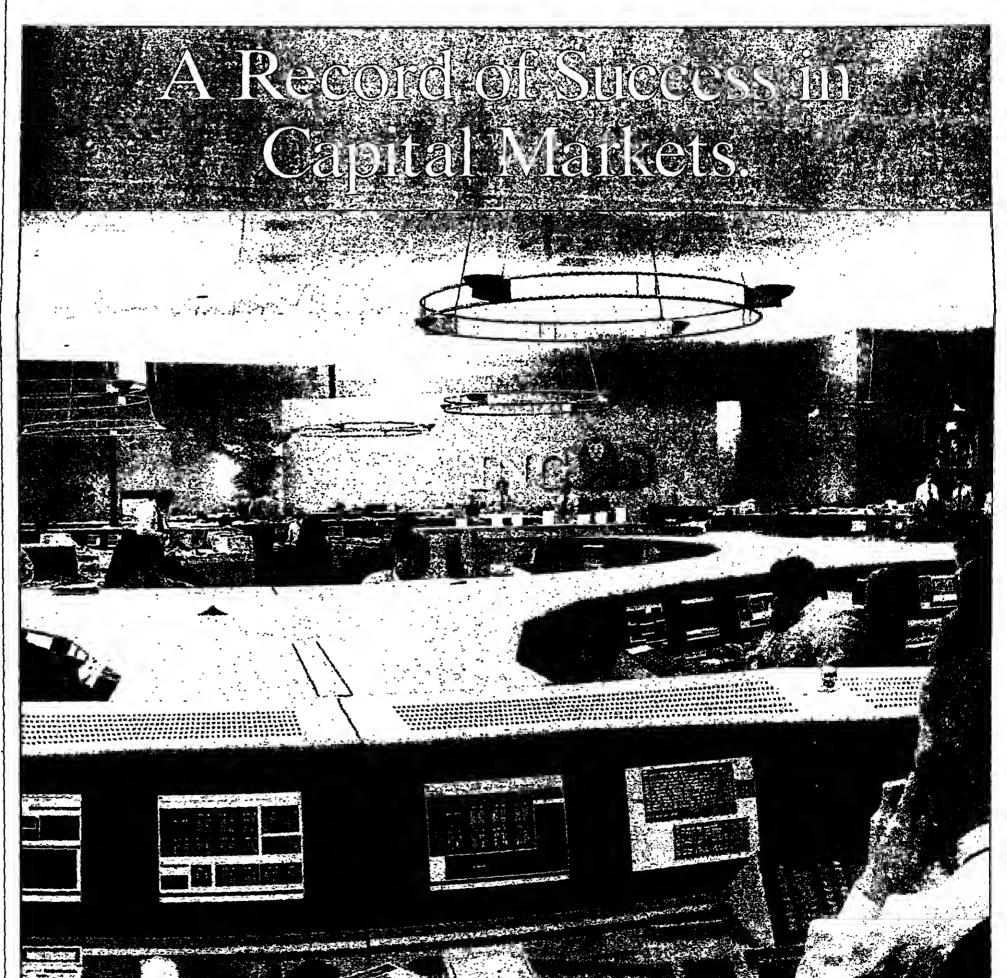
Nazarbayev: clash with 'Soviet-age' parliament

the population is Russian. Russians still hold a disproportion-ate number of senior government jobs although a policy of "Kazakhisation" has attempted to draw more ethnic Kazakhs into positions of influence without inflaming Russian sensitivities. Many Russians have already left the country claim-

ing discrimination. Mr Nazarhayev yesterday said he believed the rest of the world would look on the politi-

cal crisis "with understanding and promised to call an assem-bly of national groupings to help resolve the situation. But whatever the outcome of this present crisis, the development of democracy in the region is likely to prove volatile. The dence, the shallowness of civil society and the magnitude of economic transformation are bound to create instability for





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financial institution in the Netherlands, we are building on our strengths for the future. For information, fax: 31.20.5638002.

The committee's chairman. Senator Alfonse D'Amato, has introduced legislation that would bar US companies from buying Iranian oil. They may now do so for sale in third countries, though not for We are concerned that some restrictions, not all, but some, unilateral restrictions could hurt Americans more than the INTERNATIONAL NEWS DIGEST

Nigeria to take control of banks

The Nigerian government plans to resume state control over commercial banks less than two years after they were privatised. The move comes two months after a budget which edged towards deregulation of the economy and an agreement with Nigeria's international creditors. The plan by the Bureau of Public Enterprises to take at least 10 per cent of the shares in the big four commercial banks and acquire the right to nominate their managing directors or chairmen has caused alarm government policy.

The bureau's plans coincide with intense rivalry among Nigerian investors for control of leading companies after divestments by some multinationals. At the same time other multinationals are negotiating to buy back control of their subsidiaries following the repeal of foreign investment restrictions in most sectors in January.

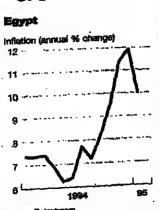
The banking proposals were made known in Abuja on Wednesday by Mr Hamza Zayyad, chairman of the bureau and formerly of the Technical Committee on Privatisation and Commercialisation, which supervised the recent sale of state assets in more than 100 companies including banks, steel mills, plantations and hotels. One of the big four banks has been told to delay its annual general meeting next week pending the outcome of the bureau's proposals, which include moving the accounts of parastatal companies from the central bank to the commercial banks which it seeks to control. Paul

Israeli unions in pensions crisis The Israeli government and the Histadrut trade union federa-

tion are trying to resolve a crisis in the Histadrut pension funds which have deficits estimated at Shk30hn (£6.3bn). Mr Haim Ramon, the Histadrut chairman, has warned that up to half a million workers are in danger of losing their pensions unless the government steps in to rescue the pension funds.
The pension fund debacle is the latest sign of apparent

mismanagement in the Histadrut which could damage the governing Labour party in next year's elections. Mr Ramon, who was elected chairman last year on a pledge to clean up the labour organisation, is demanding the government guarantees the pension funds. Mr Ramon also wants a government safety net for new pension fund members which would guarantee up to the person of the estimated value of a pension antee up to 98 per cent of the estimated value of a pension upon maturity. The government has said it is sympathetic to Mr Ramon's demands and will announce a series of measures in the coming days. Julian Ozanne, Jerusalem

Egyptian inflation falls to 10%



Egyptian inflation fell to 10 per cent in the year to the end of January, from 12 per cent one month earlier but up from 7.4 per cent at the end of January 1994, the government said yesterday. The consumer price index fell 1.2 per cent in January, dragging the yearon-year inflation rate down by 2 percentage points. The decline was welcome news for the government, which is trying to bring down interest retes and defend the exchange rate against the view that the Egyptian pound is overvalued. It also partially confirmed the government's

argument that a sudden and potentially alarming rise in inflation late last year was only a temporary and mostly imported phenomenon. Render, Cairo

3m Rwandans face starvation

Up to 3m Rwandan refugees face starvation next month and a deepening food crisis could trigger another outbreak of regional violence, two leading British charities said yesterday. Rwandans who have fled to camps in Zaire. Tanzania and Burundi were furious because they believe recent cuts in their food rations were deliberately applied to force them back to their homeland where they fear they might be killed. Oxfam and Save the Children said.

The two charities said food supplies for about 650,000 refugees in Tanzania would be used by the end of April and there were no assurances of more supplies as international aid funds were drying up. The United Nations World Food Programme has said it needs \$385m to provide food and essential operational support to Rwandan refugees during 1995 but to date only \$155m has been pledged. Reuter, London

Court clears Aboriginal land rights act

By Nikki Tatt in Sydney

The vexed issue of Aboriginal land rights was resolved yesterday when Australia's High Court declared the federal government's Native Title Act, passed in late 1993, to be valid and threw out a challenge mounted by Western Australia's conservative state government

The long-awaited decision from Australia's highest judicial authority was hailed as a victory for Aboriginal communities, and will have important implications, especially for Australia's mining industry.

It will also throw into immediate question some 8,000-plus land grants made over the past 15 months by the Western Australian government under its own rival "Land (Titles and Traditional Usage) Act". This was declared by the High Court yesterday

Mr Richard Court, the Western Australian state premier, vowed to keep fighting the federal government at the political level, although he acknowledged that legal avenues had been exhausted. However, Mr Paul Keating, Australia's Labor prime minister. said that the matter was resolved: "The WA government now has no choice but to fall in line and accept that the High Court. . . (has) recog-

nised the existence of a new set of

property rights." The federal government drafted its Native Title Act in response to a 1992 High Court ruling which said that the nation's indigenous population should be able to assert native title claims if a "close and continuing" relationship with the land in question still existed. This ruling threw out the underlying principle on which Australian land management had been based for two

was uninhabited before European set-

However, the 1992 ruling also said that land titles acquired under accepted law since European settlement should not be disturbed. In an effort to marry these two pronouncements, the Native Title Act set up a system for "validating" existing land titles, and for paying compensation to Ahorigines if genuine native title claims were extinguished as a result of this process.

Most states eventually introduced their own native title legislation. which was compatible with the federal law. But the Western Australian state government responded by introducing the rival Land Act, winch extinguished all native title and offered much weaker "rights to tradi-tional usage" of the land (for ceremonial purposes, for example) instead. centuries - namely, that the country This act was challenged by Aboriginal

groups, who claimed that it breached the Racial Discrimination Act, while the state government counter-challenged the federal legislation.

Western Australia's attitude and its prevailing legal system are crucial because this is the state where snccessful native title claims under the federal approach are most likely to occur, it is also where much of Australia's land-based mining industry is

It has been calculated, for example, around 40 per cent of WA could fall subject to native title claims. In eastern states, where more development has occurred, the "close and continuing" land association condition is more likely to have been broken. AFP adds from Perth: Mr Ron Man-ners, chairman of Croesus Mining, a WA gold miner, said the court decision "signals a mass exodus, because now mining is being made to feel very

unwelcome in Australia. This comes at a time when all these other newly emerging countries are making our mining companies so welcome overseas, with very clear-cut legislation, where there are no impediments to mining." He described the ruling as "a very unfortunate circumstance for Australia".

Mr George Savell, chief executive of the WA Association of Mining and Exploration Companies, said: "This causes some uncertainty for the industry, and it has long-term impli-

For the Perth government Mr Court described the legal ruling as the most significant stripping of power from a state by a federal government since the states joined in federation in 1901. "The ruling puts Western Australia in a position where we have effectively lost land management control over a

ASIA-PACIFIC NEWS DIGEST

Boatpeople must return in a year

The last 42,000 Vietnamese boatpeople still in camps in Hong Kong and south-east Asia will have to return home within 12 months, Mrs Sadako Ogata, United Nations High Commissioner for Refugees, yesterday told a meeting of donor and asylum countries in Geneva. She said it was time to wind up operations under the 1969 comprehensive plan of action for Vietnamese and Laotian boatpeople, which has arranged resettlament for political refugees and repatriation for the rest.

The plan has run into financial trouble, with only \$1m

raised for this year out of the \$77m UNHCR says it needs. UNHCR officials said yesterday they expected more funds to be forthcoming, but warned that without extra cash they could not maintain the programme. The meeting endorsed a target date of the end of this year for completing repatriation and resettlement for south-east Asian nations. Hong Kong, with over 22,000 Vietnamese awaiting repatriation, hopes to close its camps a couple of months later.

The Hanoi government has agreed to accept 3,600 returnees a month and to simplify procedures, Mrs Ogata said. Mr Werner Blatter, UNHCR regional director for Asia, said there was "no substantive evidence of any ill-treatment" of the 70,000 who have already returned. Since the fall of South Vietnam in 1975, over 839,000 Vietnamese have sought asylum, of whom 753,000 have been resettled. By the end of this year the UNHCR hopes to have found resettlement places for the remaining 3,180 refugees. Frances Williams, Geneva

NZ growth exceeds forecasts

Far stronger than expected economic growth in the past six months ruled out any prospect of lower interest rates or a weaker Kiwi dollar, Mr Don Brash, governor of the Reserve Bank of New Zealand, said yesterday. Releasing the sixmonthly economic forecasts, treated as a mini budget in New Zealand because of the central bank's role in managing mone tary policy, Mr Brash said the bank had erred in its previous assessment of economic growth last September, and should have tightened policy earlier than its actions in December.

Gross domestic product for 1994, which it had forecast at 4.6 per cent, was instead 6.6 per cent because of greater investment flows than expected. Because of lags involved in tightening monetary policy, inflation over the coming months would be "perilously close" to the top of the 2 per cent target range. Terry Hall. Wellington

Mieno denies loan pressure



Mr Yasushi Mieno, former governor of the Bank of Japan (left), yesterday demied political pressure was behind the controversial decision to bail out two small financial institutions facing mounting bad loans. Testifying before parliament, he said he had no direct discussions with politicians over the hailout, adding that the collapse of the two credit associations posed a threat to the country's financial system. Also appearing was Mr Tetsuya Horie, president of Long Term Credit Bank, a leading creditor of

Tokyo Kyowa and Anzen, the two credit associations. He rejected suggestions that LTCB was responsible for overseeing the institutions' management policies. Last week, Mr Harunori Takahashi, former president of Tokyo Kyowa and famous as a speculative property developer, alleged that LTCB had approved the institution's day to day operations until 1993. Emiko Terazono, Tokyo

Money supply creeps ahead

Japanese money supply growth crept ahead in February, but remains well below the level most economists accept is needed to accelerate the weak economic upturn. The annual growth in to 3.6 per cent last month, the highest since June 1991, the Bank of Japan announced. That compares with a revised 3.2 per cent in January, but is less than half the growth rates achieved in the late 1980s. A more broadly defined measure of liquidity, also including postal savings, rose hy 4 per cent in Fehruary. William Dawkins, Tokyo

Japan's industrial production in January fell a revised 1.5

per cent from the previous month, against a preliminary 1.4 per cent drop, the ministry of Internationa Trade and Industry said. AFP, Tokyo

■ Philippine exports dropped 11.5 per cent in January from

Beijing forced to revise bank law Frustration as Kobe rebuilds

By Tony Walker in Beljing

China's parliament is demanding an enhanced supervisory role over the People's Bank undar a new central bank law due to be adopted

Deputies to the National People's Congress, now meeting, have forced the government to make revisions to the legislation, which is designed to bolster the central bank's role as the leader in the fight against

Chinese reports did not provide details of changes to the central bank should be and economists worry about

By William Dawkins in Tokyo

Japan's senior aid official

yesterday rebuffed a request

from China for debt relief on

its Y1,680bn (£11.7bn) of official

loans from Japan. Mr Hiroshi Hirahayasbi.

director general of economic co-operation in the foreign

ministry, was responding to an

informal plea from Chinese

trade officials for help over the

sharp rise in the cost of servic-

ing government yen loans

caused by the appreciation of

the Japanese currency against

legislation, but deputies have criticised the bill for providing inadequate safeguards for the

Argument has focused on the role of a "Monetary Policy Committee" to be set up under the new law, with deputies saying that, far from being a relatively independent institution, it would be the government's

The State Council, or cabinet, will make appointments to the monetary committee, thus ensuring a large measure of control over the institution.

est in a series of developing Asian countries, including Mal-

aysia, to lobby Japan for belp

with their yen loan servicing.

The problem has excited con-

cerns in Japanese financial cir-

cles that there might be beavy

demand for fresh yen loans to repay existing horrowings,

leading to a deht crisis among

outstanding yen dehts has

risen from \$10bn at the time

the cash was dishursed in three tranches since 1979, to

\$16.8bn now. A fourth tranche

A CLIMATE

FOR BUSINESS

The dollar value of China's

developing Asian countries.

afforded parliamentary protec-

Some deputies expressed concerns that under the pro-posed law the central bank would both formulate monetary policy and implement it. But their proposals for greater NPC supervision of the bank

were vague. Legislators also fear that a strengthened central hank would enforce stricter monetary controls, thus further squeezing funds available for the faltering state sector.

But senior Chinese bankers greater degree of autonomy, and economists worry about but these attempts failed.

over three years - some of which could be used for debt

servicing rather than the infra-

structure projects for which it

in Tokyo speculate.

officially intended, officials

The foreign ministry's tough

line reflects Japan's fear that it would he flooded with de-

mands for similar concessions

if it accorded deht relief to

China. "We sympathise, but we

should respond by taking a

long-term perspective," Mr Hir-

abayashi told parliament's for-

He expected the strong yen

eign affairs committee.

Japan turns down debt relief plea

undue influence from the State Council over the bank's activities. Mr Liu Junbao, governor of the Bank of China's Shanghai branch and an NPC delegate, fears for the central bank's independence to conduct monetary policy under the new law.

A Chinese economist said yesterday there was no doubt that under the law the bank would be "an instrument of the vernment". The State Council had won the argument, he said. Tha People's Bank itself had proposed that it retain a

to be "corrected and elimi

nated" in time, through macro-

economic co-operation. Much

of this lending was for repay-

ment over 30 years, with no

conditions for exchange rate

Total Japanese government lending to east Asia's five top

economies doubled to nearly

Y7,000bn in the eight years to

1993. Most Asian currencies are

tied to the dollar, so the dol-

lar's decline, allied to the

increase in the volume of loans, has increased their debt

service costs by five times over

justments, he said.

Housing has become the biggest problem, reports Emiko Terazono obe, the western Japanese port city devas-tated by earthquake two months ago today, wel-comed the resurrection of its

> the district's reopening was celebrated with a traditional lion dance and firecrackers. The rebuilding of Kobe has been pursued vigorously, with the municipal government putting infrastructure, including roads and rail systems, back in place. The bullet train is due to resume service to the area in mid-April, while replacement of the toppled Hanshin elevated expressway has been

hrought forward by three years

But although upbeat footage on local television of the stretch of newly rebuilt railway presents viewers with an image of progress, much of the residential areas not shown by the cameras remains untonched Many of the crumbled houses have yet to be cleared. Because of the scale of the damage, local officials estimate it will take more than a year to clear all the rubble

longer to rebuild houses. The housing problem has become the biggest barrier for residents. who are trying to put their lives back together. Temporary housing for the bulk of those made homeless in the quake has been arranged and the number of evacuees at the camps has fallen from a

from residential lots and rather

Hyogo prefecture, of which Kobe is the main clty, have moved out while large companies have taken apartments for their employees in less affected

For those remaining in the evacuation camps, the prefecture plans to supply 40,000 prefabricated homes. But so far. the authorities have managed

to supply only about 10,000 -

problems include a lack of suitable land, a shortage of construction workers, and congested roads which bamper transport of the materials

Chinatown earlier this week as Rebuilding permanent houses has made even slower progress. Those whose land falls within the various municipal governments' re-zoning programmes are finding they cannot reconstruct their houses until the blueprint for the plans is agreed, and some will be forced to move out as roads are widened and new

parks are created. The re-zoning projects in 13 areas announced recently by local governments have met strong public criticism. "The city is adding to our stress when we are trying to cope," says a resident opposing the construction of a road near his

The local governments, on the other hand, want to use the opportunity to improve their idential districts

Flat owners in damaged apartment complexes are facing frustrating ordeals since the construction law requires all owners within a block to agree to reconstruction. Funding such projects is also a problem for many of the owners, who are already saddled with mortgage payments. Residents are meanwhile

irritated by economists' comments in the local media hailing the positive macroeco-Those with relatives outside reconstruction. Many forecasters have revised their economic growth predictions upwards following the earthquake hecause of expected

demand for rebuilding.
"Who knows how long it's going to take before life returns to normal again? And bow do the economists know it's going to be positive?" complains Mr Michiharu Sato, a

December but were nearly 22 per cent up on a year earlier, the National Statistics Office in Manila said. Edward Luce, Manila middle aged office worker.

Farhan Bokhari on deadly violence in Pakistan's commercial capital

Why Karachi business acted

r Abdul Wahid, a jeweller in the heart of Karachi's busy Saddar district, will not open the door to prospective clients unless they have been to his store before. Like thousands of other businessmen in Pakistan's commercial capital, he is terrified. The bearded businessman in his early 50s says: "I turn away those that I don't know. They may be robbers or killers. How can anyone do

good business in this city?" Mr Wahid has reason to be fearful. Karachi's worst outbreak of violence has left almost 1,200 people dead since the beginning of last year. Now fear is inspiring businessmen to launch a protest campaign against the government of Ms Benazir Bhutto for its failure to restore peace to the city. The Federation of Pakistan's Chambers of Commerce and Industry, the country's top business grouping, has called for husinesses to close nation-wide on Marcb 25, followed by an advertising boycott of stateowned local radio and television. The move is seen as the start of the most intense con-frontation between business and government during Ms Bhutto's 17 months in office.

The southern port city's small expatriata community has become alarmed following last week's killing of two Americans working at the US consulate. Many foreign com-panies have advised husiness-men coming from other countries to delay travel plans until the position improves.

in Washington the State to send their school-age chil- founder of the movement, who

Pakistan if they wished. Ms Christine Sbelly, its spokes-woman, said: "While there are currently no credible reports of any specific threat against Americans in Karachi, such

threats cannot be ruled out." As Mr Yunus Khan, head of Deutsche Bank in Pakistan and chairman of the country's German business council, puts it: "As far as thay (foreigners) are concerned, they think its highly unsafe for them to come, especially to Karachi."

Most of the violence appears confined to areas well outside the central business and banking districts. But businessmen are worried that the killings will none the less affect their profits. The Karachi Stock Exchange 100 index yesterday fell 42.63 points, or 2.45 per cent, to 1,695.57 - a 16 month low and 36.3 per cent below its peak of a year ago. Mr Yakub Karim, chairman

of the association of industries at Sindh Industrial and Trading Estate, the city's main industrial belt, estimates that up to 30 per cent of workers are absent on an average day, largely because many in poorer areas refuse to leave their homes for fear of being killed.

Most killings are alleged to be the work of rival gangs sponsored by the two factions of the Mohajir Qaumi Movement. Karachi's largest political party. The movement mainly represents Urdu speaking Moslems who migrated from India at the 1947 partition of the subcontinent. The MQM Department late on Wednesday has been split between those ordered US officials in Karachi loyal to Mr Altaf Hussain,

dren home and authorised other family members to leave Pakistan if they wished. Ms other's members in order to establish supremacy in the city, police say.

Tensions have been inflamed by at least three attacks on places of worship belonging to Shia Moslems. No one admit-ted responsibility. Officials are concerned that groups of hard-line. Shias may retailed. line Shias may retaliate against Pakistan's Sunni Moslem majority.

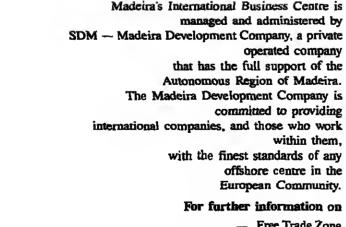
Ms Bhutto promised this week to get tough, and police arrested up to 300 activists from different groups. But businessmen are also demand-

minister of Sindh, of which Karachi is the capital, should both be sacked because they failed to stem the decline in law and order. The FPCCI also wants the city to be put under curfew and army troops called back for three months equipped with wide powers of

arrest and interrogation. The provincial governor and chief minister, however, are close allies of Ms Bhntto and a redeployment of the army could backfire: last November. a 29-month military operation ended with troops being with drawn amid allegations of human rights violations.

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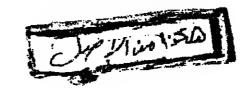


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expected on IRA weapons

Blitz in London and Jurek Martin in Washington

Britain and Ireland expect some move by Sinn Féin on decommissioning of IRA weapons shortly after the leader of the IRA's political wing Mr Gerry Adams returns from the

Officials said that while in Washington Mr Adams was unlikely to make a gesture that might satisfy UK cooditions for upgrading talks to ministerial

But they were preparing for a "substantive statement" from Mr Adams possibly next week. Mr Adams was among the guests at a St Patrick's Day hinch on Capitol Hill yesterday attended by President Bill Clinton and Mr John Bruton, the lrish prime minister. But contact between the leader of Sinn

Fein and the president appeared limited to a brief exchange of words
At Westminster, ministers expressed satisfaction at remarks by Mr Richard Holbrooke, US assistant secretary of state, in which he called on Sinn Féin to ensure that

decommissioning begins imme-Mr Holbrooke drew a distinc-tion between constitutional parties and "the political representatives of paramilitary groups who have retained the right to return to violence if they do not achieve their

By Lisa Wood

and Roland Adburgham

A shortage of skilled workers and

suitable young recruits could stem

the flow of inward investment into

Wales, one of the largest Japanese

manufacturers in the principality

Mr David Fowler, personnel direc-

tor of Panasonic, which employs

2,000 in Cardiff making televisions

The initiative from the State Department, which is understood to have opposed Mr Clinton's decision to allow Mr Adams to raise funds in the US, appeared part of efforts to heal the rift between London and Washington of the past

But, in the continuing game of diplomatic cat and monse. Downing Street indicated that the long-awaited telaphone conversation between Mr John Major and Mr Clinton would take place only at the week-

Mr Douglas Hurd, foreign secretary, said that "on bal-ance" the US administration's approach "is certainly helpful". There have been differences of emphasis and now there is a coming together," Mr Hurd

told journalists. He called for a less emotional assessment of transatlantic ties. "I wouldn't use the phrase special relationship." Mr Hurd said. "It is not used by any of the practitioners to a very great extent."

However, he added: "There are elements that are unique." Mr Adams and Mr Clinton were seated at different tables during the Capitol Hill lunch given by Congressman Newt Gingrich, Speaker of the House, in honour of Mr Bru-

By accident, though, their two limousines arrived almost together on the rear steps of Congress but the two man made no eve contact.

and microwave ovens, said high-tech

companies were in desperate need of

better trained recruits and graduates

shortages of trained people entering

the manufacturing industry," ha said. Last year, Panasonic had had

200 applicants for apprenticeships,

but found only three worth recruit-

ing. The number of women who

applied was in single figures.

"Panasonic and others are finding

to maintain their competitive edge.

Adams move 'Feel-bad' factor afflicts chancellor

By Peter Norman, Economics Editor

Mr Kenneth Clarke, the UK chancellor, was yesterday try-ing to entricate himself from the political storm that followed his prediction that Britain's missing feel-good fac-tor may not appear for at least another two years.

But some of his advisers are already looking ahead to a much gloomier prospect: Britain's next economic down-

Mr Chris Riley, head of medium term policy analysis at the Treasury, told an economic seminar on Wednesday it would be "quite extraordi-nary" if Britain were to avoid "a downturn in some sense" by

At the same event, two of Mr Clarke's six-man panel of independent economic forecasters. the so-called "wise men". expressed similar views. Mr Andrew Britton, head of the National Institute of Economic and Social Research, and Prof David Currie, head of forecasting at the London Business School, were sceptical that the

Mr Clarke's aim is to iron out the boom and bust cycles that have marked Britain's omy and achieve the holy grail of sustained, non-inflationary growth. To this end he has been prepared to raise interest rates before a significant upturn in inflation and, as shown again in radio interviews this week, shrug aside the persistent "feel-bad" factor among the population at large. But those from the City. industry, and the media who attended this week's seminar

on "conditions for sustained

manufacturer which employs 3,200

in south Wales, confirmed the diffi-

culties in finding suitable school

leavers for apprenticeships. Too many either lacked the minimum

educational requirements, which

were five GCSE passes at C grade or

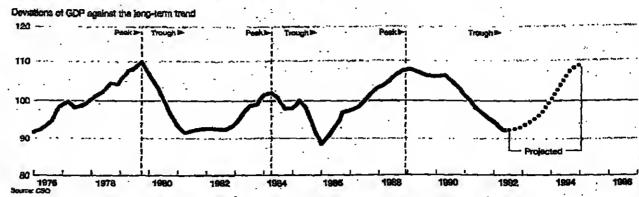
above, one of which must be maths,

or they dropped out during their

The company said one reason was

apprenticeshins.

The ups and downs of the UK economy



£16.6bn in February, failing to match the

8.5 per cent increase over 1993-94 levels which has been achieved so far this year.

Tax receipts have been somewhat subdued because the recovery has produced a rela-

tively modest upturn in personal incomes

and consumer spending.
Corporation tax receipts totalled £479m

in February, more than twice the figure in the same month a year ago. Rapid profit

growth recently prompted the Treasury to

raise its estimate of the revenue yield

Weak tax receipts meant the government had to borrow £5.2bn (\$8.52bn) last month to meet the shortfall between revenue and spending, official figures showed vesterday, Robert Chote writes,

The public sector borrowing requirement was higher than City economists expected and takes cumulative borrowing for the first 11 months of the financial year to £25.2bn. The Treasury said it was still on track to hit its Budget forecast of a £34.3bn PSBR for the financial year as a

Central government receipts totalled

in the 1990s, Indeed one could say that the next downturn could be expected any time

has only been one cycle in the sions", when output growth

from a 1p rise in the corporation tax rate in 1996-97 from £710m to £890m. past 140 years as long as that of the 1980s, when apart from a "growth pause" in the middle of the decade, tha economy grew steadily from the first quarter of 1981 to the second quarter of 1990. That previous

long cycle was at the end of the nineteenth century. Mr Riley's message was that economic policymakers would have to perform much better than in the past to avoid a downturn in this decade. However, a downturn need not result in a recession. Britain experienced "growth reces-

slowed below trend in the 1950s and 1960s as well for most of 1984 and 1985.

Mr Riley pointed out that several factors could bring an end to growth. But as far as three of the Treasury's panel of wise men are concerned, the government's current target of steering underlying inflation into a narrow 1 to 21/2 per cent range by the end of this parliament is not beloing matters.

Mr Britton said halving the target range for the retail prices index, excluding mortgage interest payments, from the original I to 4 per cent was

ment on the social security bill. Local anthorities and public corpora-

tions both repaid debt during the month. Some £19hn has been paid so far during this financial year as interest on the public debt. Economists were divided as to whether the government would oversboot or undershoot its Budget forecast for the not realistic. Base rates would

Net departmental spending totalled

£20.9bn in February and has so far this

year run 2.5 per cent higher than in

1993-94. The relatively modest rise reflects the impact of falling unemploy-

above 8 per cent from 6.75 per cent at present to keep inflation below 21/2 per cent. Mr Gavyn Davies, chief econ-omist of Goldman Sachs International and another "wise man," said the government should consider a wider band

have to be raised to somewhat

of 0 to 4 per cent or emulate other countries and aim at a less specific goal. Britain would need to raise interest rates again to have inflation near to 2 per cent on a two yaar horizon, Mr Davies

Pyramid selling legal move planned

The British government is planning to make it a criminal offence to operate pyramid investment schemes in which participants receive income from payments by other participants. Stawart Dalby

The move against money circulation schemes was announced yesterday by Earl Ferrers, minister for consume affairs at the Department of Trade and Industry, in a con-sultation document proposing changes to the Fair Trading Act 1973.

Schemes involving the legitimate, direct selling of goods household cleaning materials, jewellery and water filters are typical examples – but which have a pyramid element will be largely unaffected. But the DTI is to look closely at the relationships involved.

The schemes under attack redistribute money from new subscribers to those a few layers above, with "investors" attracted through mail-shots or advertisements in shop windows and newspapers promis-ing large profits. The "profits" are the subscriptions of the most recent recruits so that as soon as the stream of new "investors" dries up, so do the payments. There is no underlying investment and continuous expansion is necessary for anyone to profit.

The direct selling schemes which will be looked at are those in which sales agents get commission not just on their own deals but on those made by people they have recruited. In these, the more layers of agents there are, the more the agent at the top earns.

The plans were welcomed by the Direct Selling Association, which says its membership accounts for 45 per cent of all direct selling in Britain.

The DTI has already forced a number of pyramid investment schemes to cease operating since last July.

The DTI said yesterday: *Unscrapnions promoters appear to devise schemes deliberately to avoid being subject to the Fair Trading Act's control."

economic growth", organised by the National Institute and the Economic and Social Research Council, might have wondered why he is bothering. Mr Britton noted that the average length of economic cycle in Britain had been about 4'A years since the late 1950s. 'Judging simply from this experience it would be surprising if there was no downturn

According to Mr Riley, there

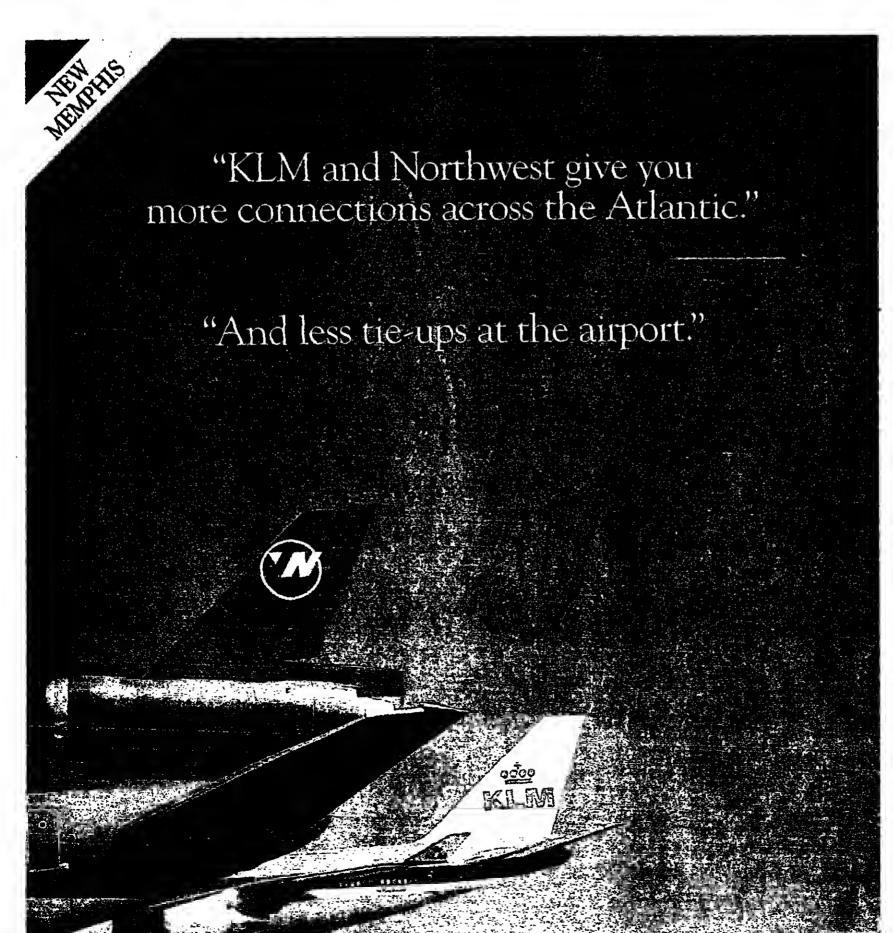
High-tech companies bemoan skills shortage in Wales

Sony, the Japanese electronics schools encouraging students to stay on, when many were suited to vocational training. Engineering, even for "clean" high-tech companies. also still suffered from an image problem in attracting recruits. Mr Charles Middleton, chief executive of Training Services Wales, the largest training provider in south Wales representing 150 companies, said it was not a new problem, and not confined to Wales, but was becoming more

acute as companies sought to expand. "There is no doubt whatsoever there is a shortage of quality candidates coming into engineering." He agreed with Panasonic that this risked damaging inward investment into Wales. As well as the need for schools to improve maths and science teaching, parental attitudes towards engineering as a career for their children needed to change.

Japan has bought a Welsh subsidiary of Electrotech, a leading UK producer of microchip machinery. The purchase of Surface Technol-

ogy Systems, based at Abercarn in Gwent, is for an undisclosed price. Mr Iwao Takai, president of SPP, said yesterday: "It is our first expan-sion outside Japan and we're confi-dent that STS will give us a significant edge in the semiconductor Sumitomo Precision Products of production equipment business."



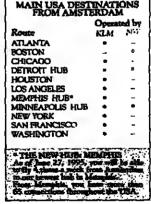
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34

By Raiph Atkins

The British government was last night under pressure to introduce retrospective legislation after a House of Lords judgment which could leave administrators and receivers facing hills running

into hundreds of millions of pounds.

The Lords ruled that administrators and receivers may be liable to pay damages to an estimated 500,000 former employees of companies that ran into financial difficulty between 1986 and last year. The Department of Trade and Industry said it was "urgently consider-

The Society of Practitioners of Insolvency said the decision would "penalise receivers for saving jobs". It could also produce "windfall" payments for high paid directors of companies that ran into trouble because they were the most likely to make compensation claims.

Last night more than 1,000 former employees of Leyland Daf and Ferranti - two companies at the centre of yesterday's ruling - indicated they would be claiming damages after being dismissed by receivers two years ago.

The Lords' decision means ordinary creditors of failed companies face receiving smaller amounts as former employees take preference. Considerable delays pending the flood of damages claims are also likely to result from the ruling.

Receivers themselves could also be liable where cases have been closed. Damages will be decided on an individnal basis.

The problem stems from a miswording in the 1986 Insolvency Act which was interpreted by the Court of Appeal last year as making administrators and receivers liable to pay all contractual benefits due to employees who were kept on for more than 14 days The Court of Appeal ruling rocked

the insolvency profession which had assumed it could be released from contractual responsibilities by a standard letter sent to employees of troubled companies. This typically said employ ment contracts were not being adopted but salaries would continue to be paid

The case was bought by administrators of Paramount Airways as well as the receivers of Leyland Daf and Ferranti but could apply to about 20,000 other cases. Arthur Andersen, receivers of Leyland DAF and Ferranti, said it had retained sufficient funds to enable both insolvent companies to meet their obligations under yesterday's judgment.

UK NEWS DIGEST

Law Lords back 'no union' rule

The law lords unanimously ruled yesterday that employers are legally entitled to withhold pay rises from employees who refuse to sign personal contracts that remove their unionbased negotiating rights.

Their decision overturns a Court of Appeal judgment two years ago backing union claims that some journalists employed by Associated Newspapers and dockers employed by Associated British Ports suffered unlawful discrimination when refused pay rises given to colleagues who had signed personal job contracts

and accepted union derecognition. In 1993 the government changed the law in response to the earlier Court of Appeal judgment. Since then, UK employers have been able to make changes in their relations with staff. But the change in the law was not made retrospective.

The International Labour Organisation's committee of experts has ruled that the 1993 changes contravene the freedom of association convention, which upholds the freedom of workers to organise themselves in unions. Britain is a signatory to it but it has no legal force. Andrew Bolger

Underground needs 'extra £1bn subsidy'

London Underground yesterday said it would need an extra film of government subsidy over the next five years if passengers are not to be faced with a "patch and mend" service.

The Underground requires about £750m a year to run its trains and maintain the system, it said. About \$400m a year will be provided by the government in 1995-96 with a further £130m coming from the Underground itself, in the form of fare revenues, cost savings and the involvement of private finance. This leaves a shortfall of about £200m a year.

Public subsidy met 6.5 per cent of London Transport's operating costs in 1992-93 compared with 82.5 per cent in Rome; 77.5 per cent in Amsterdam; and 53 per cent in Paris. Only Dublin received a smaller proportion - 4 per cent. On average public subsidy met 51 per cent of public transport costs in 10 European cities. Charles Batchelor

MOD reviews export order strategy

The government yesterday said that in future it would support only one defence company

bid for each export order. The Ministry of Defence has until now supported every company chasing an export

Mr Roger Freeman, defence procurement

trying to pick winners among its defence exporters. He said the current policy risked two British companies running down one another's products and potentially letting in a third party. In future, the MoD would support the company which it decided had the best credentials to win the contract. The policy switch is part of an effort to win

minister, yesterday denied that the UK was

more than £5bn a year in defence export sales, to secure jobs and cut the cost of weapons to UK forces by producing equipment in longer production runs. Bernard Gray

Scots win Irish windfarm contract

ScottishPower has won a contract to build and operate a windfarm in the north west of Ireland as part of a Dublin government programme to promote alternative energy. It is the company's first order outside the UK.

The windfarm at Barnsmore, County Done-

gal will comprise about 25 turbines, each with a capacity of 600 kilowatts. The total 15 megawatts generated will be enough to supply a town of 15,000 people.

ScottishPower already holds the contracts to supply a total of 15 megawatts from three windfarms in Northern Ireland. The company's first windfarm - a joint venture with Japan's Tomen Corporation and SeaWest of the US - operates in mid-Wales and has been generating since late 1992. Michael Smith

Crufts link with Samsung attacked

The International Fund for Animal Welfare yesterday urged the Kennel Club to cut its links with Samsung, the Korean electronics company which is a sponsor of the annual Crufts dog show.

The fund says up to 2m dogs are processed for the Korean food industry every year. Samsung became involved with the show which opened yesterday at the National Exhi-bition Centre in Birmingham - because Mr Kun Hee Lee, the chairman, takes an interest in pedigree dogs and has campaigned for

improved animal welfare standards in Korea. The company has supported Crufts for three years. The fund stressed it had no doubts about Samsung's sincere motives for supporting the show, but said the Kennel Club, which organises the show, was giving the wrong messages by maintaining links with Korea.

Unions fear for workers' safety

British workers will face greater danger at work as a result of reductions in the number of government health and safety inspectors, according to the Trades Union Congress.

The TUC said 85 senior inspectors and medical advisers would today leave the Health and Safety Executive under an early retirement policy designed to save money. The TUC said the cuts came as the HSE was facing increased demands in dangerous industries such as construction, railways and gas supply. Andrew Bolger

Tests cast doubt World's richest charity on treatments turns its eyes to research for heart attack The world's richest charities

Two beart attack treatments widely accepted by doctors as effective do not help patients live longer, according to results of the latest in a series of large-scale clinical trials.

The failure of the two treatments - nitrates and magnesium - is "a major disappointment", says Rory Collins, co-ordinator of the Isis studies and senior research fellow at the British Heart Foundation, a medical charity.

A third treatment - a class of drugs called Ace-inhibitors had some effect. It "produced a small but real survival advantage: one life saved for about 200 patients treated", says the British Heart Foundation. The results of the Isis-4 study

could be as influential as its predecessor, Isis-3, in changing the way that doctors treat beart attack patients. Isis-3 showed that there was

little if any advantage in using the expensive new "clotbuster" drug tPA, rather than a 30-year-old and much cheaper drug, streptokinase, Isis-4, published in the medical journal The Lancet, follows the progress of 58,050 patients

three different approaches to treating heart attacks. One treatment was the Aceinhibitor captopril, made by US company Bristol-Myers Squibb and also known by its brand

in 1,086 hospitals undergoing

name. Capoten. In Isis-4, captopril was given after a beart attack for a month, at a drug cost of about £20. This gives a "drug cost per life saved of a few thousand pounds" says the study. Collins says that this is a respectable figure and the cost should drop over the next year or two as Ace-inhibitors lose patent protection and compete with generic rivals. .

The other two regimes, using nitrates and magnesium, had no benefit on the survival rates of heart attack victims, according to the study. Magnesium may even make them worse.

Nitrates dilate blood vessels Since beart attacks are the result of inadequate blood flow to the heart, nitrates should help. In practice, although they ease pain, they have virtually no effect on the survival of the patient, says the Isis-4 study. Magnesium appears to reduce damage to the beart muscle and improve performance without increasing effort. But more patients on magnesium died than in the

tistically significant. The results of Isis-1 are unlikely to have as great a commercial effect as did Isis-3. While tPA was a drug under patent owned by US biotechnology company Genentech. nitrates and magnesium are old, unpatented and therefore

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PACKARD HEWLETT

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control group, although the dif-ference was too small to be sta-

By Cilve Cookson and Daniel Green

The Wellcome Trust yesterday celebrated its emergence as the world's wealthiest charity following Glaxo's takeover of Wellcome, the drug company in which it had a 40 per cent stake - by revealing plans to spend more on medical earch, particularly overseas

The London-based trust expects to have an incoma close to £300m (\$492m) this year, up from £250m in 1994, £50m in 1989 and only £15m in 1984. After it receives a £2.45bn cheque from Glaxo on March 31, its capital base will rise to £6.8bn - well ahead of the richest US foundation, Howard Hughes, which also funds medical research.

Until now the trust's approach has been rather "anglocentric", says Dr Bridget Ogilvie, its Australian-born director. Only 2 per cent of Wellcome grants go outside the

In future the trust will develop a more "international perspective", according to Sir Roger Gibbs, its chairman. The first sign of that is a commitment to spend an extra £50m over the next five years on worldwide "population

The decision to focus funds on population research, including the development of new contraceptives, follows last year's International Conference on Population in Cairo. Scientists made the point then that both industry and governSource: The Channicle of Philipothrops

son with major US and UK charitable to

ments neglected research in this area, because of its political and religious sensitivities. The investment in contraceptive research by pharmaceutical companies is very small compared to their revenues from selling contracep-

tives," Dr Ogilvie says. Within the UK the trust will be spending about as much as the government's Medical Research Council. The two bodies are already

working closely together - for example they are jointly funding the new Sanger Centre for genetics research and the European Bio-informatics Institute near Cambridge - and they plan further partnerships in the future.

Another aspect of Wellcome's new research strategy is that, for the first time, the trust will take "an active approach to protecting and exploiting intellectual property for bealth gain." In the past the trust has left the patenting and exploitation of its research results to the scientists and their universities.

Wellcome plans to develop a patenting and licensing opera-tion in collaboration with CRC Technology, the intellectual property arm of the Cancer Research Campaign The trust has always adopted

a low profile, compared to charities like the CRC which rely on collecting donations from the public. We are not going to seek publicity," Dr Ogilvie says, "even though our founder Sir Henry Wellcome enjoyed his high profile."

Even though his company

will no longer have an independent existence, the legacy of its sale will establish Sir Henry's status as the greatest philanthropist in history.



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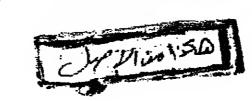
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Control of the Contro

THE PROPERTY MARKET

driven as much by flows of money as by fundamentals. Property is no exception to this rule. The willingness of inves-tors to buy buildings - and the enthusiasm of banks to lend them the money to do so - is therefore just as important as the outlook for rents.

Money flows into the UK property market from four main sources: quoted property companies, overseas investors domestic investment institutions and banks. When the market is firing on all four cylinders, as happened in the late 1980s, the result is spectacular. For 1995, though, the signs are that liquidity will he in

short supply. Overaeas investors have committed £1bn-£2bn e year to UK property over the past few years, most of it invested in central London office huildings. There is no reason to expect 1995 to be much different. Indeed, continental European markets may look relatively more attractive as they pull out of recession. This could divert cross-border cash into other countries.

Neither can quoted property companies be relied upon to chase capital values higher. Most of the cash they raised from the equity market in 1994 has alreedy been spent. The poor performance of the sector over the past few months sug-gests that shareholders are in no mood to respond to further

Meanwhile. institutional investore such as pension funds and life insurance companies have reasons to pull back from property.

According to WM Company which runs one of the UK's two main performance measurement services, pension funds increased their property weighting from 5 per cent to 6 per cent during 1994. Caps, the rival performance measurement service which covers more small pension funds, saw its median property weighting rise from 1.6 per cent to 2.3 per cent over the year.

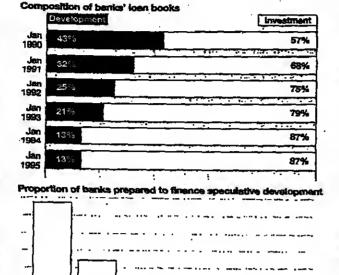
But this increased exposure to property does not necessarily reflect enthusiasm for bricks and mortar. The good investment performance of property compared with equities and bonds pushed weightings higher, even if the fund managers were not aiming to shift asset allocation.

WM's figures show that pen-sion funds achieved a total return of 12.3 per cent from property last year. Only Japa-

Flow of money still sluggish

Investors show little interest in the UK, although bank lending is rising, says Simon London

Banking on UK property



nese equities performed better - although, given the recent poor performance of the Tokyo stock market, that is hardly comforting.

44%

22%

12%

Good returns from property helped hig pension funds -which hold about 8 per cent of their assets in property - outperform smaller rivals last year. Far from trying to repeat the trick in 1995, though, the big funds seem to he switching their ettention to equities and

Provisional results from an annual survey of funds by Hillier Parker, the surveyors, point to a dwindling supply of institutional cash available for investment in property.

The top five funds in the survey (Prudential, Legal & General, AMP, Scottish Amicable and Norwich Union) have only £300m-£400m available, down from £525m last October and £1.8bn in July. Fund managers

have concluded that property weightings rose far enough

21%

19%

during 1994 If institutional investors are pulling back from the market. banks are slowly returning. According to Bank of England figures, lending to property increased in the last quarter of 1994 for the first time since the spring of 1991.

Chesterton, the surveyors. asked the banks what type of lending they were prepared to consider and at what interest

Its latest survey shows that 60 per cent of banks are now willing to finance property development, up from 54 per cent last year and 48 per cent in 1993. Although more than half the banks questioned said that they would never finance speculative development, 21 per cent said they would consider backing speculative schemes in the near future.

The losn-to-value ratios banks are prepared to consider on investment deals have barely changed over the past three years. However, the pro-portion of banks willing to provide bridging loans has increased from 23 per cent to 39 per cent in the past two years, suggesting that lenders are becoming more flexible in order to win business.

The survey says that average lending margins on investment transactions are unchanged et about 2 per cent over interbank rates. Yet anecdotal evidence suggests that margins charged on better-quality deals have narrowed as competition

Two years ago a commer cial mortgage on an office building let to a top corporate tenant on a long lease might have cost 1.5 per cent over interbank rates with a ½ per cent arrangement fee. Today the margin has come in to per haps I per cent and the arrangement fee has halved." comments Mr Mike Riley of Chesterton Financial

ut it is difficult to argue that this heralds another orgy of debt-financed investment and development. Raising funds for investment deals based on poor quality tenants or short leases - where the banks run the risk that the building will lie vacant remains difficult

The results point to a twotier property finance market. Banks are anxious to lend more to property, yet memo-ries of the downturn are fresh. Conservative lending policies and low margins for good-quality deals are the result.

Doubtless margins on topquality business will eventually fall so far that banks start to relax lending criteria. As vet there is little sign of this. The market in secondary properties remains frozen, largely because banks are reluctant to grant mortgages on anything but the best assets.

All this suggests that the supply of liquidity to the UK property market is likely to remain tight. Investors with contrarian leanings and cash in hand - the higger property companies and German mutual funds spring to mind - may take the chance to buy while competition is relatively weak.

But so long as the fundamentals are at best mixed - there is still no sign of widespread rental growth taking hold - it is difficult to see the market escaping from its doldrums.

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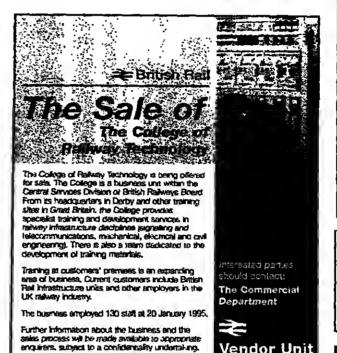
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> LEGAL **NOTICES**

No: 801180 of 1995 IN THE HIGH COURT OF RISTICE CHANCERY DIVISION

IN THE MATTER OF BROWN & ROOT MEDRING FABRICATORS LIMITED HOUSERY MEDERMOTT SCOTLAND LIMITED IN THE MATTER OF THE COMPANIES ACT 1985 NOTICE IS HEREBY GIVEN that a Perition of the above named Company was on 24th February 1995 presented to Ber Majoury's High Court of Pastice for the confirmation of the cancellation of the Share Premium Account.

concessions or the square resonance resonance and AND NOTICE IS FURTHER GIVEN that the said Penision is directed to be heard before Mr Registery Buckley at the Royal Courts of Textice, The Stread, London WCZA ZLL on Wednesday 35th March 1995.

Dated this 14th day of March 1995 ince & Co Knollys House 11 Byward Street London ECSR 5EN

No. 00577 of 1995 IN THE HIGH COURT OF RISTICS CHANCERY DIVISION

IN THE MATTER OF BARCOM PK IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the Fligh Court of Justice (Chascery Division) dated the Ist day of March 1995 confirming the cancellation of the State Frenthum Actount of the above named Company in the sum of £12.954,000 was regulared by the Regulars of Companies on the 2nd day of March 1995.

Dated this 15th day of March 1995. SPEECHLY BIRCHAM.

154 Fleet Street London BÇAA 2HX Solicitors for the above named Company

COMPANY NOTICES

CANADIAN PACIFIC LIMITED At a meeting of the Board of Directors held tothy a quarterly dividend of eight cease (8c) Canadian per share on the constanding Ordinary Shares was declared, payable on April 28, 1995 no holders of record at the close of business on March 27, 1995. By Order of the Board B J Deegan. Vice President and Secretary Colgary, Alta, March 13 1995

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Arthur Anderson is eatherhood by the tratabase of Chartened Actourhoots in Frederick and Wales, to come on Inspectment business.

INVITATION FOR EXPRESSION OF INTEREST FOR THE SALE OF OF A GROUP OF ASSETS OF "METALLLURGIKI HALYPS SA" OF ATHENS GREECE

ETHNIKI KEPHALEOU S.A. Administration of Assets and Limbilities, of I Shoulenion Sta ETHNIK! KEPHALEOU S.A., Administration of Assets and Liabilities, of I Shouleniou Sc., Affans. Gracce, in its capacity as Liquidate of METALLURGIES HALVPS S.A., a company with its registered office in Athens. Greece, (the Company), presently under special liquidation according to the provisions of Article 40a of Law 169/71990, lawles interested parties to submin within twenty (20) days from the publication of this notice, ston-banding written expressions of interest for the sale of the group of assets mondoued below, which is being sold as a single entity. BRIEF INFORMATION

The Company was established in 1972 and was in operation until 1991, when it was declared bankrupt. Its activines included the production of concrete trinforcing iron in rolls and fast. On 10,8,94, the Company was placed under special liquidation according to the provisions of Article GROUP OF ASSETS OFFERED FOR SALE

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SALE PROCEDURE

The sale of the company's assets will be by way of Public Ancisor in accordance with the provisions of Article 46a of Law 1892/1900, its supplemented by art. 14 of L2000/1991 and subsequently amended and the terms set out in the invitation, for sensers for the sale of the above lessets, to be published in the Greek and foreign press on the dates provided by these SUBMISSION OF EXPRESSION OF INTEREST -OFFERING MEMORANDUM-INFORMATION

For the subtainsion of Expressions of Interest as well as in order to obtain a copy of the Offering Memorandum, please contact the Liquidian, "FTIDNES KEPHALEOU SA. Administration of Assets and Liquidiates." I. Stondeuron Ser. Attents, 105 o.1, GREECE, Tel. +30-1323,14,84-97 Fax: +30-1-321-97.05 (attention Mrs. Marika Françaios.).

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"HOTEL AND TOURISM ENTERPRISES DIMITRIOS KARAMBATOS S.A."

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Эктіяті Яанма**у**а Бойт

The Societe Anonyme under the title ASTIKA AKINITA A.E. with head offices in Athens (43 Panapistimiou str.) lewfully represented under its capacity of special liquidator by virtue of resolution No. 3/18-1-95 of the Nafplion Court of Appeal, of the limited liability company "HOTEL AND TOURS ENTERPRISES DIMITRIOS KARAMBATOS S.A." ANNOUNCES

A public call for tenders with sealed, binding offers, for the sale of the total assets of the enterprise under special liquidation by vibrue of article 46a, i. 1892/1990, of which the object is the exploitation of the hotel "ELITE" of the societe anonyme under the title "HOTEL AND TOURISM ENTERPRISES DIMITRIOS KARAMBATOS S.A."

ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY

The company was tounded on 18.10.1983 with the objective of exploiting the "ELITE" hole, the establishment, operation and exploiting of hotel and tourism enterprises in Greece, as also the exercise of related projects or enterprises. The assets of the company to be sold are described in detail in the offer memorandum and consist of one (1) hotel complex fully equipped, located in the Municipality of

Verga, Kalemata, Prefecture of Messinia, on Navarinou street (coast road) and bears the title "ELITE". It is an A Class hotel with a capacity of 57 rooms and 94 beds (20 single and 34 double rooms and 3 double suites). It is erected on a site with a total area of 6,800 sq.m. and it consists of a besement (770 sq.m.), e ground floor (1,000 sq.m.), a tirst storey (980 sq.m.), e second elorey (730 sq.m.) and a terrace (270 sq.m.), plus the electromechanical installations required for the operational needs of the tourism unit end its escurity such as air conditioning, fire protection, kitchen installations, taundry,

eny interested party to receive, in the event they have not already received, the offer memorandum, and submit e eealed, binding offer accompanied by e letter of quarantee by e Bank operating lawfully in Greece.

TERMS OF THE CALL FOR TENDERS 1. The public call for tendere will be carried out eccording to the provisione of article 45a, I. 1892/1990 which was added to the law by virtue of the provision of erticle 14. L 2000/91, the provisione of article 53 I. 2224/1994, the terme included in the present call for tenders and the terms of the offer memorandum, which interested parties may obtain after submitting a pleage of confidentiality in writing.

2. In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer in writing by 14.00 on Thursdey, April 13, 1995 to the Kalamata notary public Mrs. Penagiota K. Kouvela, 241 00 Kalamata, Messinia, tel. no. (0721) 87444. 3. Each offer will be accompenied by a letter of guarentee issued by e Bank operating legally in Greece, with the contents described in the offer memorandum and

emounting to the sum of forty million (40,000,000) drachmae. 4. The offers and the letter of guarantee must be delivered in a sealed, opaque envelope.

This advantagement but bears approved for the purpo of Section S7 of the Financial Bernicas Act 1906 by Prior Verbrahoum, who are Searchal advantate to the Settles Relayung Sourd Versitar Unit, Price Websterlow authorised by the justificate of Chemistral Accountment England, and Vellack to Larry on Processment Boulean

Price Waterhouse

5. The offer must mention clearly the amount offered for the purchase of the total assets of the company under liquidation end must not contain any terms, options or vague phrases which might create uncertainty as to the amount or the menner of payment of the sum being offered or other matters releted to the sale. 6. The delivery of the offers will be made by the interested party to person, or by his euthorized representative.

7. Overdue offers will not be accepted and will not be considered. The binding nature of the offers will apply until the award of the sale. 8. The assets of the company and all the elements of which they consist, such as real estate, moveable objects, name, cleims, title and abbreviated title, rights, etc. will be sold and transferred "ea and where they are", i.e. in their real and legel condition end at the place where they are located on the date of signing the contract of sale.

9. The liquidating company and the creditors representing 51% of total claims against the company (para. 1, article 46a, t. 1892/1990 ea it currently applies) are not liable for any legal or real defects or the lack of any attributes of the objects and rights being sold, nor are they liable for any omissions or inaccuracies contained in the offer memorandum and any correspondence.

10. Interested potential purchasers are obligated, under their own supervision, end by their own means, expenses and personnel, to investigate and acquire e personal perception of the objects being sold, and to mention in their offer that they are fully informed as to the real and legal condition of the assets under sale 11. The liquidator end the creditors mentioned in para. 9. above are entitled, according to their own judgement, to reject offers containing terms and options, regardless of whether they are superior to other offers as regards the amount being offered.

12. In the event that the party to which the assets under sale are ewarded, violetes its obligation to come lorward and eigh the contract within ten (10) days from the relevant invitation by the liquidator and observe the obligations ensing from the present ennouncement, the letter of guarantee emounting to lorty million drachmae (40,000,000) is declared torfeited in its entirety in tevour of the liquidating company ASTIKA AKINITA A.E., towerds covering all its expenses of eny type and its services, ae also any direct or Indirect damages, without the necessity of proving specific damage, and as e penal clause in tavour of thet company, deemed as heving been submitted with the offer, so that it can be collected from the Bank issuing the guarantee. The letters of guarantee submitted for participating in the tender will be returned to ell other participants following the evaluation report of the liquidator and the creditors mentioned in pare, 9 above, and to the auccessful bidder, to whom the sale will be awarded, following the payment of the amount agreed and the drafting of the payment order.

13. The seals of the offers will be broken by the notary public mentioned above et his office, et 13.00 on Friday, April 14, 1995.

14. The successfut bidder will be the party whose offer will be judged by the liquidator and approved by the creditors mentioned in para. 9 of the present, as being the most advantageous for the company's creditors. 15. The liquidator wilt notify the successful bidder in writing of hie obligation to come torward to the place and et the time determined in the notification, for signing the

contract transferring the assets, according to the terms of the offer and any improved terms that may be indicated by the creditore end agreed with the highest bidder. 16. The eigning of the transfer contract stands as a final assignment according to article 1003 of the Code of Civil Procedure whereas the amount to be paid to the liquidator by the highest bidder stands as a bidding payment eccording to article 1004 of the Code of Civil Procedure.

17. All expenses and costs arising from participation in the lender end the transfer (tax, stamp duty, notary public's fees, registrar of mortgages, announcements, etc.) will burden exclusively the Interested potential purchasers and the highest bidder respectively. 18. In the event of part of the purchase price being on credit, the highest bidder will be obligated to provide any guarantee that may be requested by the liquidator according

to his own exclusive judgement, and will be burdened with all related expenses, costs and fees required for the formation of such guarantees and their termination. 19. The liquidator and the creditors will not bear any responsibility or liability against those who will participate in the tender as regards the evaluation of the offers, their recommendation of the successful bidder, the decision for the repetition or cancellation of the tender and any other decision relevant to the procedure and realization of the tender. 20. The submission of the binding offer does not create e right of awarding the assignment for the sale. In general, all parties participating in the tender do not acquire any right or claim ensing from the present announcement and their participation in the tender against the liquidator or the creditors for any cause or reason.

21. The present announcement has been drafted in the Greek language and translated in the English language. In every instance however, the Greek text will prevail. Interested parties may collect offer memorandums and receive other information from Mr. George E. Poimenidis and Mr. Gerassimos A. Christopoulos. 43 Panepistimious Street, Athans 105 64, felephona nos.: 326.5113 and 326.5110 fax no: 326.6118.

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Weathering the storm

Laura Silber examines the survival strategy of a Belgrade hotel

R ichard Stedman is the Job of the hotel world. His faith has been tested by hyperinflation and war in former Yugoslavia, hut citing last week's 50 per cent occupancy rate he believes prospects have brightened.

As manager of the Hyatt Regency in Belgrade for nearly three years, Stedman has had to stay on his toes. "It is so uncertain, planning is very difficult," he says. The United Nations in May 1992 imposed sanctions on Serbia and Montenegro, which together comprise what remains of Yugoslavia. All international companies pulled out - except one. Hyatt was granted a sanctions dispensation by the US treasury and the UN in order to protect its share of a \$50m (£33m) investment.

"From then on," says Stedman, "the goal was to maintain a positive cash balance and uphold Hyatt's five-star standards. In other words, weather the storm.

Armed with a decade of experience in hotel management on three cootinents, Stedman, now 35, faced a real challenge.

Under sanctions, which included an oil embargo and a ban on international air traffic, the 308-room luxury Hyatt was cut off from the outside world. That uncertain climate gave rise to what he calls the four f's - fast. focused, flexible and fun.

"The company is already decentralised, but because of sanctions Belgrade had to function independently." recalls Stedman, "The situation on the ground was moving so fast that advice was mostly moral support,"

Despite the vast drop in overnights, Stedman chose not to sack any of the 350 employees. leaving it to natural attrition. They battened down the

hatches. The usual stock of 50,000

items was slashed by half, "We made sure we could survive using local products," says Stedman. Another problem was the uncertain business climate. In 1993, inflation exceeded 1bn per cent, "We adjusted the hotel exchange rate three times a day.

We had to move fast, money lost

its value so quickly."

Hotel bills ran in the trillions. When guests were checking out, it would take 45 minutes to count the dinars. It was nightmarish from a commercial point of view and it created immense problems

for the staff," he says. Under Yugoslav law, workers must be paid through their bank accounts. By the time the funds had cleared, their wages had been eaten up by inflation. Salaries fell from the dinar equivalent of DM200 (£87) to DM10.

In the chaotic and frantic time of hyperinflation, Stedman tried to make the Hyatt an oasis of stability for the staff as well as guests. "For many people it was the only sane and organised part of their life."

Stedman emphasised and increased the number of training programmes. Employees won recognition for good work. A school was opened for workers' children. Hyatt paid monthly transport pass

Another of his tenets, "fun" takes the form of football, parties and even a beauty contest. While working to bolster staff morale and motivate his employees, the fahric of society was being torn apart. The crime rate soared, in particular among gangsters settling scores. Stedman claims eight out of 10 Yugoslavs own

In the Hyatt, people mostly check in their weapons before going through the metal detector. One night, 80 guns were handed

Stedman is looking forward to the day when sanctions will be lifted. "We are ready to go. First. we will launch our sales and marketing plan."

Since the Hyatt opened in 1990, the situation has been adverse. The entire operation was streamlined to a minimum. There is a space for a casino downstairs which is just a shell. We will open

While the Hyatt may not have flourished under sanctions, it has certainly survived. This was Stedman's goal. In a climate where discipline and diligence are seldom top priority, the staff is well-trained and tries hard



Mr Motivator

Victoria Griffith on the dual career of Amar Bose

tute of Technology and chairman of a leading corporation - Bose, which makes quality stereo equipment - Amar Bose is a rare management specimen.

Perhaps no other senior manager in the US has such a dual career. Bose, whose company's sound systems can be found in upmarket stereo stores and luxury cars. believes his involvement with academia helps him in the husiness world hy enhancing his under-standing of how people learn and

At both Mit and Bose Corporation, Bose sees his key role as that of a motivator. "Tve really come to believe that an apparently ordinary person can be capable of great things, given the chance," says Bose. That has shaped my philosophy of teaching and managing."

In the 1960s, Bose participated in a Ford Foundation experiment at Mit to see if students who faced an extraordinary challenge in the classroom learned at faster rates. According to Bose, they did. That experiment changed my view on what people can achieve," says Bose. "If the threshold is ambitious, people tend to live up to higher

As a result. Bose says, he offers employment to people other companies are often unwilling to take a chance on. "I hired an 80-year-old woman once to do word-processing

s a full-time professor at for us, and everyone said I was the Massachusetts Insti-crazy," he explained. "She had never even touched a computer before and had to be taught. But that woman was the fastest word processor in the company for many years running.

Bose's views were reinforced, he explains, hy a documentary he saw a few years ago called Stand and Deliver. The documentary featured a Los Angeles high school professor who successfully taught calculus to under-privileged students who previously had a poor understanding of basic arithmetic. "If you convince someone that they are capable of great things, they will rise to the

By the same token. Bose believes, mediocrity tends to perpetuate itself by lowering expectations. In the company's early days, it conducted an experiment to measure people's response to a new sound system. Bose asked participants to come into a mom one at a time and adjust the stereo's knobs to achieve the best effect. The Bose listeners adjusted the stereo to an inferior sound, the one they were used to hearing on their poor home stereo system. "When that experiment was first done, everyone thought it meant that people could not appreciate good sound quality," says Bose. "But we know

The answer, he believes, lies In educating the consumer In the same

way a professor educates a student to appreciate finer things. "If you stand by them and point out that they're blocking out the sound of the cymbals, they'll change their mind. And once they live with the superior system for a while, they'll never go back to the bad quality

Juggling his schedule hetween full-time teaching and heading a corporation is not easy, says Bose, but it offers him important advan-

"People often say, and rightly so, that your knowledge of a subject peaks when you graduate from university and goes downhill after that," he says. "By teaching, I'm sure to always keen up with the material.

Mit also benefits from his dual career. Bose believes. "People would laugh at a football coach who had never played the game," he points out. "But in universities, you often have professors of subjects who've never had a job outside academia." Bose believes all managers, even if they do not have a dual career in

academia and the private sector, can henefit from incorporating some form of teaching role Into their lives, whether it is for company training sessions or lecturing at universities. "The adage that the best way to

learn a subject is to teach it still holds true," he says. "And through teaching, you learn a lot about Behaviour analysis has transformed an old City firm, finds **Tim Dickson** Look, listen, learn then alter

ew do you turn an old-fashioned City of London partnership into a dynamic and properly managed

insurance organisation? Thomas Howell Groop, part of the world's second-biggest reinsurance company Swiss Re, has recently songht to achieve this transformation in a rather unusual way. Led hy chairman and chief executive John Stitch it called in a firm of "professional

voyeurs". Voyeurism is how Tony Hipgrave of Hnthwaite Research describes some of the work his company has been doing over the past three and a half years for THG, which is the UK's higgest loss adjuster with a turnover of

more than £100m.

Through techniques such as behaviour analysis — in which records are made of what happens and fed back to groups and individuals - Hnthwaite set out to make the group's board meetings more effective, and to encourage directors to think ahead strategically rather than just to react.

Loss adjusters, who investigate and settle claims on behalf of other companies, enjoyed hnoyant demand throughout the 1970s and 1980s as they followed their big domestic clients into international markets. But about the time THG was acquired by Swiss Re in 1988 the UK domestic market started to plateau and competition from the insurance

Under pressure from its new parent it became clear that the classic partnership structure with all its fiefs and often meaningless titles was no longer appropriate, not least given the need to continne expanding globally. Incorporation on its own and a thin-niog out of the management hierarchy, moreover, were not

Michael Reeves, THG's marketing director and European chief executive designate, says the departure of a couple of "difficult" individuals and the injection of younger blood in 1992 made a perceptible difference. But he also accepts that the

behavioural approach of Hipgrave

and his Huthwaite colleagues

has improved the hoard's

"Board and team skills don't normally form part of a loss adjuster's armoury," he admits. Hipgrave says Huthwaite's con-

tribution was in part to help the directors "unlearn" old habits. "The early meetings were over-long, poorly structured and air-time was shared very unequally. There were tricks and 'games' going on. In fact, the meetings were scarcely worthwhile."

The "airtime" problem was dealt with by behavioural analy-sis - literally timing the length of each contribution and examining whether individual styles of per snasion were of the "push" (advancing arguments) or "puil" (asking questions) variety. This belped shorten and better struc-

ture the meetings.

The "games" were tackled through a series of Intimate interviews with each board member

Board and team skills don't normally form part of a loss adjuster's armoury'

using a variety of psychological tools, followed by detailed and at times painful individual feedback and a board meeting where par-ticipants were forced to face up squarely to who needed to change

"This has resulted in a more honest recognition of how deci-sions are really made and contributed to the new structure which the group will have in place in April," says Paul Clayton, CEO

Hipgrave says it is one thing for a consultant to be called into an organisation to sort out its internal structure and processes, and to re-think its strategy. It is "very rare" to be also asked to observe

meetings at board level in the way it has happened at THG.

"Boards are rarely honest enough to say we are not behaving properly with each other. That is something that they are usually only happy to see going on further down the organisa; tion," he says.



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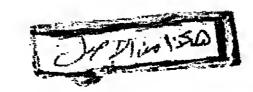
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Sad music from the Russian soul

Relentless orchestral touring is taking its toll. Andrew Clark talks to conductor Mikhail Pletnev

is eyes look heavy and his expression is world-weary. Mikhail Pletney is tired of nightly coocerts, tired of travelling, tired of journalists. And the tiredness seems to have crept into his performances with the Russian National Orchestra, which he founded in 1990 after the collapse of commu-

"I could reduce my workload", he said in New York during the orchestra's latest US tour, "but it's a question of money. These musicians have to liva, they have to work. If I'm there, I can provide the work. If I'm not, there is no work."

Like any other private enterprise, the Russian National Orchestra must generate its own income to stay alive. There are oo state hand-outs. So the musicians accept their gruelling tour schedule with little complaint. The performance is never less than tonally sophisticated and superbly balanced but it is all rather cold and perfect, lacking true Russian soulfulness.

Perhaps this is a reflection of Pletnev a cool platform manner - or perhaps the pressures of touring have induced a certain amount of auto-pilot. After five years in command of an elite Russian ensemble, Pletnev seems disillusioned. "Whether it's Shostakovich's Tenth Symphony or Tchaikovsky's Sixth, the musicians are happy to play. They like to work hard. But it's not my kind of job - 1 can't reproduce myself day after day like this. It contradicts my idea of music-making. I like to prepare a programme and perform it once or twice, then I oeed to think it over.

"As long as I'm interested, I can do it well. But when I'm completely dis-gusted I can't pretend otherwise. There are many who could conduct Beethoven's Fifth Symphony three times a day if they were offered a good fee. We're talking about great music, serious music, which needs time and thought. When I have something to say, I go out and say it. But that's not what I'm doing now. I don't belong to myself any more."

Pletnev the serious musician and Pletnev the entrepreneur are clearly ill-at-ease with each other. He has a reputation for being an introvert; a mamber of his orchestra says, "if you start talking to him, sometimes you get the feeling you're disturbing him. It's as if music is constantly playing inside his soul."

A different, more relaxed side to Pletnev's temperament should be visihle this weekend when he visits London's South Bank Centre for two concerts with his other regular orchestral partner, the Bremen-based Deutsche Kammerphilharmonie. He will play

piano concertos hy Mozart and Haydn, and conduct symphonies by Mozart and Mendelssohn – a far cry from the Russian showpieces he takes on tour with his own orchestra.

ha keyboard seems to be Pletnev's natural home. Ha won the Tchaikovsky Piaco Competition in Moscow to 1978, aged 21, and his playing continues to win praise. But his solo career has been increasingly overshadowed by his work with the Russian National Orchestra, whose early tours and recordings made a hig impact at home and abroad

His aim was simple: "I wanted to achieve a large symphonic ensemble of 100 musicians that would maintain the intimate, precise attitude towards music-making that you find in the best chamber music ensembles. I also told my musicians we would make their lives easier and better by giving them more money than the state orchestras.

To give substance to his vision. Pletnev teamed up with a fledgling arts management company in Moscow. secured sponsorship from a newly-formed private Russian bank, and put up \$200,000 of his own. He then sought influential friends in the west. Deutsche Grammophon

responded with a recording contract. Columbia Artists Managemeot, the US agency, began organising tours and publicity. The orchestra set up its own Californian-based arts foundation to attract hard currency. More than 90 per cent of its income comes from outside Russia

Pletnev's initiative aroused jealousies in Moscow. not just because he attracted the best players, but because at the time he was not widely known as a conductor. Older colleagues dismissed him as an upstart, and said he was using his orchestra merely to develop his career. But Pletnev gives as good as ha gets. "These conductors spend all their time in the west and neglect their own orchestras. We don't need them."

Tour income helps to subsidise the orchestra's concerts in Moscow. which lose money even though they are always sold out. Pietney tries to vary the repertoire: if he conducts Tchaikovsky, it may he the little-known First Suite rather than one of the symphonies. Ahroad, he leavens the ohligatory diet of Russian music with Grieg, Bizet, Ravel and Brahms. The orchestra rarely tours with a soloist, but Pletnev sometimes directs from the keyboard.

He says he has not worked consciously on the orchestra's sound. "It's like bella voce - you can't take

the voice of Tebaldi and make it Callas. I take the resources I have. The principles of phrasing are more important than beauty of sound. In some cases the music should sound beautiful, in others it should be ugly. You can't play Mozart and Shost-akovich with the sama sound. I con-centrate on the meaning and musical sense, and the sound develops out of

He paints a hleak picture of working conditions in Moscow. His orches tra has an office but cannot get a telephone line. It rehearses in a rented recreation hall, and has floated plans for a permanent home, to be financed by western investors as part of a commercial development. "But no-one will take responsibility for any decision. The bureaucrats say yes -they know it would look bad if they turned us down, but their only concern is to fix their own privileges. They think we won't be there tomorrow, so why should they do some-thing that requires work?"

The neglect extends to the Moscow Conservatoire, where many of the great Russian musicians trained. "If I had the choice, I would close it tomorrow. There is no teaching staff, no atmosphere, no prestige, nothing. The professors earn less than a factory worker. Everything to do with art is being oeglected."



Pletney the serious musician and Pletney the entrepreneur are ill-at-ease with each other



Peter Coleman-Wright: a strong baritone with presence in the title role

Abastair Muir

Opera/Richard Fairman

Musical tug-of-war in 'Don Giovanni'

f Leporello ever gets bored compil-ing the list of his master's amorous conquests, he might consider broadening his scope. As the arts struggle out of recession, there must be a market for a catalogue of ideas on how an opera company can seduce a new audience and revive its flaccid bank balance.

The problem for ENO is how to afford extra new productions at the time when money is at its lowest ebb. As a seasoned traveller, Leporello might recommend that productions borrow from elsewhere to save on costs; he might propose skimping on intellectual forethought, using cheap sets, cutting back rehearsal time or increasing the number of performances. If really desperate,

the company could try the lot.
That is what English National Opera has done with its new Don Giovanni. The show has been borrowed from Flanders, is minimally thought-through, scrappily designed, woefully under-rehearsed and goes on for 18 more performances. At least the singers and conductor should get to know each other with practice. At the moment the performance proceeds like a musical tug-of-war, which conductor Markus Stenz is continually in danger of losing, as he slips and slides rapidly through

The production need not detain us long. Guy Joosten from the Flanders Opera sets out with an idea about linking Don Giovanni with Caravaggio, hut never lets on why. It would be easy to dismiss the unrelated ideas that follow as the usual second-hand producer's whims, but Joosten does have one saving grace, which is a sense of humour.

Mozart called Don Giovonni a dramma giocoso" and, if nothing else. this is a production where the jocular gets equal hilling. It helps that the translation is a sharp one, which never misses a good line, and there is an amusingly quirky Leporello to make

sure they all get a laugh. Urban Malmherg plays the master's lackey as a young fogey, the sort of snivelling and servile creature that could have crept out of the pages of a Dickens novel - a real one-off, always entertaining.

Peter Coleman-Wright sang Don Giovanni the last time round and his youth, his strong baritone and presence still add up to an all-round recommendation. Penelope Walmsley-Clark as Donna Anna is casting of the stature that Mozart operas demand in a theatre the size of the Loodon Coliseum. After strident sounds early on, often individual notes stitched together rather than real vocal lines, she rose to an eloquent account of "Non mi dir".

The rest of the cast put up less of a fight. Nerys Jones brings complex mezzo colours, some beautiful, some uneven, to the music of Zerlina and is partnered by a decent Masetto in Ashley Thorburn. Both Donna Elvira and Don Ottavio lose one aria in the Prague

ters more in the case of Janice Watson's promisingly-sung Elvira than it does with John Hudson's Ottavio (a shame that he had to find out he is not a Mozartian tenor in front of so many people). John Connell was the Commendatore. In the final scene he makes an unimpressive appearance in a cloud of

Don Giovanni, who has earlier urinated on the Commendatore's grave and eaten a meal off his coffin, endea yours to welcome him to dinner, but is cut off by a giant Caravaggio hand. which descends from the ceiling. We are back where we started. If only Leporello's catalogue had been consulted. There are probably 1003 productions of Don Giovanni round Europe as worth having as this one.

Sponsored by Guinness plc; 18 further performances, ending May 25 (with changes of cast).

Theatre/Ian Shuttleworth

Independent State

number of hig names have coincidentally been attracted to venues in Battersea during the past year. Vanessa and Colin Redgrave attempted to make a going concern of tha underused Bridge Lane space, Susan Hampshire appeared at BAC in January, and now Susannah York treads the decidedly intimate boards of the Grace Theatre, above The Latchmere puh, in a fizzily-

written one-woman piece. Mark Davies Markham's play follows Patti O'Brien, a London-Irish country music fan who, once widowed of her cheatin' man, goes to Nashville to seek her destiny, and darkly

Liverpudlian Markham has that Gaelic-once-removed facility with linguistic tricks and flourishes, and imbues his protagonist with the same ease. Patti's narrative jumps backward and forward between the recent past in Nashville, the citement of courting as a teenager on the music club circuit of 1960s London and the

terrors of her subsequent mar-

able to write a great play about it. Burning Blue at the King's

Head, about an American

naval pilot witch-hunted out of

the service because of his sexu-

ality, is based on writer

D.M.W. Greer's own expert-

ences. However moronic such a

government policy may he,

Greer does few favours to the

campaign against it by peopling his play with characters who often struggle for two-di-

mensionality: the homophobe

zealot investigator, his col-

league who complains, "Aww man, I abboys play bad con!", the farmboy pilot who against

all odds shows most sympathy

and acceptance...These are

figures from an undistin-

guished American teleplay, not

a stage work aiming to get

aving suffered an

horrific ordeal in

life does not mean

that you will be

riage. She recounts conversations on three levels at once the words actually spoken, her imagined (but never uttered) acerbic witticisms and her more ephemeral dream scenario - without bewildering her audience. Periodically she delivers a verse or two of a C&W standard.

The script's looping struc-ture, although adroitly executed must be a devil to learn, and no doubt contributed to York's occasional uneasiness on the press night. Also, York is not the most consummate singer. Ofteo she does not have to be - she expertly conveys the emharrassment of Patti, rigid with fear on a Nashville stage, spewing out a number with clockwork jerks and painted smile - hnt the supposedly impressive songs fall

sadly short. Almost all thesa musical shortcomings, however, can be forgiven for one marvellous moment at which York, astride spangly country mutton dressed as lamb mini, enacts Patti predatorily bedding a

younger man to the relentless upbeat thud of Delta Dawn the devil may not house all the best tunes, but he known best what to do with them.

Throughout the show as a whole. York rides the audience like the pro she is: appealing directly to them in the bewildering opening minutes, thereafter addressing them as sympathetic confessors and friends. She gets on with the daunting business of driving a 100-minute solo show that would reduce lesser performers to the glassy-eyed puppets she

occasionally parodies.

Independent State is not the kind of play that could, or is even intended to, transfer to a more sizeable house. It is a fine studio piece, is done justice hy York's determined periormance, and should go a long way towards re-establishing the Grace Theatre, after several years adrift, as a venue with a recognisable and coherent artistic policy.

At the Grace Theatre, London SW11, nntil April 2 (0171

Burning Blue

under the skin of a situation. Greer's structure, too, is televisual rather than theatrical. His constant intercutting of flashback scenes cued hy remarks made during investigations leads to frequent awkwardness; Antony Edridge in particular, as protagonist Dano Lynch, finds he has to turn on a sixpence between scenes of oppressive interrogation and Top Gun jockery. Director John T. Hickok does his best to pull these transitions off, hut tr

is a grindingly uphill struggle. Edridge does a fine job in the central role, cultivating a quasi-Martin Sheen thousand-yard stare as events unfold around him. David Pullan as Special

Agent Cokely, though, degenerates too far, too fast into a cardboard cut-ont of an Aunt Sally, whose bigotry is equally clumsily countered by a handful of speeches which might as well have a neon "Author's

Message" sign. The play's pivotal relation-ship is that of Dano's - not with the fellow pilot whom he desires, but with his hest friend Will. In the latter role Ian Fitzgihbon is consistently over-the-top. Dano and Will's ultimate reconciliation had no more emotional effect upon this reviewer than to produce several stifled giggles. The subject of sexual persecution in the forces deserves better than Greer's moral monochromatics. Too much caring, not enough crafting.

At the King's Head, London N1 nntil April 18 (0171 226 1916)

INTERNATIONAL

■ BERLIN

OPERA/BALLET Deutsche Oper Tel: (030) 34384-01 Lucia di Lammermoor, by Donizetti. Conducted by Marcelln Viotti and produced by Filippo Sanjust; 7.30pm; Mar 22 Ring um den Ring: by Wagner. Ballet based on "The Ring Cycle", choreographed by Maurice Béjart, 7pm; Mar 18, 21 The Girl of the Golden West: by Puccini. A new production conducted by Paolo Olmi and

produced by Frank Corsaro. Soloists

include Galina Kalinina and George

■ FRANKFURT

Fortune; 7pm; Mar 19, 23

Alte Oper Tel: (069) 1340 400 Chamber Orchestra of Europe: with pianist Gerhard Oppitz. Ivan Fischer conducts Stravinsky and Beethoven; 8pm; Mar 21 Frankfurt Opera House and Museum Orchestra: Jia Lii conducts

Hindemith and Beethoven; 8pm; Mar

 Radio Symphony Orchestra
 Frankfurt: with pianist Tzimon Barto. Dimtrij Kitajenko conducts Ravel, Gershwin and Mussorgsky, 8pm; South Western Radio Orchestra:

with mezzo-soprano Vesselina Kasarova and tenor Zoran Todorovich. Peter Falk conducts a variety of operatic pleces; 8pm; Mar

■ LONDON CONCERTS

Barbican Tel: (0171) 638 8891 Mahler Festival: this concert opens the second part of Michael Tilson Thomas' Mahler Festival, the highlight of his final season as the principla conductor of the LSO. This performance includes the UK premiere of Scnittke's 'Concerto Grosso No.5'; 7.30pm; Mar 22 The Magic of Mackerras: Sir Charles Mackernas conducts tha Royal Philharmonic Orchestra and cellist Steven Isserlis to play Dvorák; 7.30pm; Mar 17 Tha Magic of Mackertas: Sir

Charles Mackerras conducts the Royal Philharmonic Orchestra and violinist Tasmin Little to play Dvořák, Janáček and Martinu, 7.30pm: Mar Festival Hail Tel: (0171) 928 8800

 City of Birmingham Symphony Orchestra: Sir Simon Rattle conducts Britten, Schoenberg and Shostakovich; 7.30pm; Mar 23 Cologne Radio Symphony Orchestra: with pianist Lars Vogt. Hans Vonk conducts Beethoven and Bruckner, 7.30pm; Mar 20 Royal Philharmonic Orchestra: with pianist Yefim Bronfman and conductor Vladimir Ashkenazy plays

Bartók and Shostakovich; 7.30pm;

• The Bach Choir: with the City of London Sinfonia and conductor Sir David Willcocks plays Kodály, Szymanowski and Janáček; 7.30pm; Queen Elizabeth Hall Tel: (0171)

928 8800 Deutsche Kammerphilharmonie:

Mikhail Pletnev conducts Haydn and Mozart; 7.45pm: Mar 18. 19 London Sinfonietta: Sir Simon Rattle conducts Poulanc's "Les Mamells de Tirésias" and Boulez's "Le Soleil des Eaux". Soloists include Lucy Shelton, Barbara Bonney and Phillip Langridge; 7.45pm; Mar 17 GALL FRIES

Victoria and Albert Tel: (0171) 938

8500 Warworks: women photography and tha art of war. A perspective of war through the eyes of international women artists; to Mar 19
OPERA/BALLET English National Opera Tel: (0171)

632 8300 Don Giovanni: a new production of Mozart's opera. In house debuts for director Guy Joosten and conductor Markus Stenz; 7pm; Mar

 Madama Butterfly: Puccini'a opera, priginally directed by Graham Vick; 7.30pm; Mar 18, 22 Royal Opara House Tel: (0171) 304 4000

 Gisella: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm; Mar 17, 21 Salome: by Strauss. A new production directed by Luc Bondy

and conducted by Christoph von Dohnányi; 8pm; Mar 18 National, Olivier Tel: (0171) 928

 Women of Troy: by Euripides, translated by Kenneth McLeish and directed by Annie Castledine; 7.15pm; Mar 17, 18, 20 Vaudeville Tel: (0171) 836 9987 Killer Joe: by Tracy Letts, directed by Wilson Milam; 8pm; (Not

■ NEW YORK

CONCERTS Alice Tully Hall Tel: (212) 875 5050 Stuttgart Chamber Orchestra: Dennis Russell Davies conducts Diamond, Shostakovich/Barshai and Glass; 2pm: Mar 19 Avery Fisher Tal: (212) 875 5030

 New York Philharmonic: with soprano Gillian Webster. Sir Colin Davis conducts Mozart and Mahler; 8pm; Mar 17 (2pm), 18, 21 (7.30pm) New York Philharmonic: Sir Colin Davis conducts an all Sibelius programme; 8pm; Mar 23 Carnegie Hall Tel: (212) 247 7800 Kiri Te Kanawa: end pianist James Levina perform their only New York recital of the season; 3pm: Mar 19

OPERA/BALLET Metropolitan Tel: (212) 362 6000 Idomeneo: by Mozart. Produced by Jean Pierre Ponnelle, conducted by James Levine; 8pm; Mar 18
• La Bohéma: by Puccini. Produced by Franco Zeffirelli, conducted by John Flore; 8pm; Mar

18 (1.30pm) ● La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiore; 8pm; Mar 17, 20

 Pelléas et Méilsande: by Debussy. A new production by Jonathan Miller. Conducted by James Levine; 8pm; Mar 23 ● Tosca: by Puccini; 8pm; Mar 22 THEATRE

Roundabout Theatre Company Tel: (212) 869 8400 The School for Husbands/ The Imaginary Cuckold: by Molière. Michael Langham directs Richard Wilbur's translation and stars Brian Bedford; 8pm; to Mar 17 (Not Mon)

PARIS CONCERTS

Champs Elysées Tel: (1) 49 52 50

 National Orchestra of France: with baritone Borls Martinovic and planist Michel Béroff. Victor Puhl conducts Mozart, Mussorgsky and Prokofiev: 8.30om: Mar 23 Samuel Ramey: bass and planist Warren Jones open the Sony Classical Series; 8.30pm; Mar 18 The Royal Chapel Vocal Collega of Ghent: with soprano Sibylla Rubens and tennr Christoph Prégardien. Philipe Herreweghe conducts Bach; 8.30pm; Mar 19 Opéra National de Paris, Bastille Tel: (1) 47 42 57 50 Chamber Music: with violinists Fréderic Laroque, alto Jean-Claude Dewaele and counterbass Thierry Barbé from the Orchestra of the National Opera. The programme includes Bach, Teleman and Mozart: 8pm; Mar 21

GALLERIES Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 61 27 André Derain: 350 works spanning his entire career, to Mar 19 (Not Mon)

Musée Du Petit Palais Tel: (1) 42 65 12 73 · Carthage: history, its impact and

resonance; to Jul 2 OPERA/BALLET Opéra National de Paris, Bastille Tel: (1) 47 42 57 50 Magnificant: music by Bach.

choreography by John Neumeiar. Gunther/Rainer Muhibach directs this production presented by the Ballet of the National Opera of Paris; 7,30pm; Mar 17, 18 • The Masked Ball: by Verdi.

Conducted by Antonello Allemandi and produced by Nicolas Joël. Soloists include Gegam Grigorian and Gaetan Laperriere; 7.30pm; Mar

■ WASHINGTON CONCERTS

Kennedy Center Tel: (202) 467 4600

 National Symphony Orchestra: with violinist Robert McDuffie and organist William Nail. James Paul conducts Berlioz, Bernstein and Saint-Saëns; 8.30pm; Mar 23 Stuttgart Chamber Orchestra: Dennis Russell Davies conducts Mozart, Schnittke, Britten and Boccherini; 7.30pm; Mar 20 **GALLERIES**

National Gallery Tel: (202) 737 4215 Italian Renaissance Architecture:
 Brunelleschi, Sangallo, Michelangelo. the cathedrals of Florence, Pavia and St. Peter's; to Mar 19 OPERA/BALLET Washington Opera Tel: (202) 416

7800 Tiefland: by Eugen d'Albert. Roman Terleckyj directs e new production by designer Zack Brown;8pm; Mar 18 (7pm), 23

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After a series of defeats in state elections, the government of Mr P.V. Narasimha Rao is trying to claw back popularity with policles designed to appeal to the mass of voters who have so far seen little or no benefit from the reform programme instituted in 1991.

But the budget, which fore casts a deficit of 5.5 per cent of gross domestic product, has raised doubts over the government's commitment to deeper economic reforms. The assumption among many observers is that the process may now be stalled, at least until after next year's general

This is not the way the government is seeking to portray things. "India is on the thresb old of unprecedented opportu nities, provided we have the wisdom to seize them," Mr Manmohan Singh, finance minister, said on Wednesday.

For Mr Montek Singh Ahluwalia, finance secretary, the budget had two compatible aims: "We want to promote reforms on one hand and we want to strengthen the antipoverty strategy on the other. The short-term impact of the budget may be small. India's economy is growing strongly. with growth of about 6 per cent in the fiscal year starting in April, compared with 5.3 per ceot this year. The budget assumes inflation will decline to about 8 per cant a year. Hopes on this score were boosted by yesterday's figures showing a drop in the annual rate of wholesale price rises to

10.5 per cent. But two questions remain for the medium term. Is the government doing enough to cut the fiscal deficit? And was the further round of tariff and excise duty cuts enough to con-vince the outside world that the reform process is on track? For many economists, the

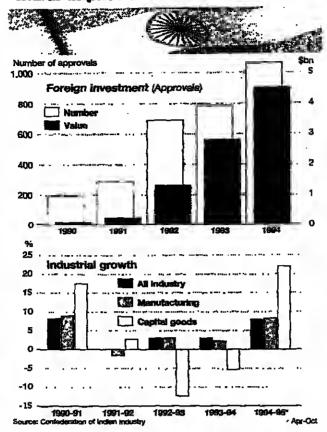
size of the fiscal deficit is the greatest worry. The World Bank cautioned last year that the central government deficit "could endanger india's economic prospects" unless decisive steps were taken to cut it. Mr Ahluwalia believes that the modest cut in the deficit envisaged this year - from 6.7 per cent of GDP to 5.5 per cent coupled with the price

impact of the duty cuts will be

Strategy for popularity

Peter Montagnon and Mark Nicholson on doubts over India's commitment to deeper reforms

India: impact of reforms so far



sufficient to reduce inflation. Provided industrial output manages to grow at about 10 per cent a year, he says, the government should bave little difficulty meeting its revenue targets. It can thus afford to increase spending because of the measures it has taken to streamline and anhance tax collection. These measures will cut the deficit in years to come without significant new taxes or spending cuts.

Mr Asbok Desai, a leading economic commentator, sees the buoyancy of fiscal revenues in the current year as a sign of a deeper malaise, bowever. Revenues rose 18 per cent in the first 8 months of the current fiscal year, sufficient to reduce the hudget deficit to a mere 4.5 per cent of GDP. Mr Desai accuses the finance min-

ister of allowing "spendthrifts in the government to fritter away" the extra receipts. Given the strength of the government's revenues, the fiscal deficit is "appalling", be says.

A weakness of fiscal policy, according to other observers, is the way the government has cut capital outlays to boost consumption spending. Not only is this risky when the interest burden - which now accounts for more than half of revenues - is rising. It also reflects the poor record of the reforms in generating invest-

Mr Dhruv Sawhney, chairman of Triveni Engineering Works, says: "There don't seem to be any measures to increase investment in production to relieve specific shortages." Contrary to some expecta-

tions, Mr Singh took no steps to extend the deregulation of financial markets, and the controversial issue of liberalising the insurance market was fudged. All Mr Singh promised was legislation to establish an independent regulator for the

With the election coming next year, it may have been too much to expect bold steps. And once they had got over their disappointment at Mr Singh's failure to cut corporation tax, the consensus among the business community was that this was inevitably a preelection budget, many seeing the tariff and excise cuts as a signal that reforms will con-

hetber momentum will resume after tha ۱s election another matter. Given the weak standing of Congress in the polls and uncertainty over the unplementation of proposed new welfare spending. the response of voters to tha spending increases is unpre-

"The anti-poverty measures are politically expedient and not financially prudent," says not financially prudent," says Mr N. Vagul, chairman of the ICICI financial services group.
All that Congress knows with certainty is that economic reform alone is not a vote winner. And continuing the reform process would require tackling some controversial measures, such as liberalisation of consumer goods imports.

There is a belief in india

that they could stop making further reforms and they would continue having perfectly adequate growth." says Mr Christopher Vermont, a director of ANZ Grindlays. Why go through the social turmoil of more radical mea-sures." But he adds: "What more do a lot of foreign investors want? The investment cilmate is really quite good."

The answer for India's reformers, and for foreign investors too, is an economic growth rate much closer to 10 per cent than the levels which India now achieves. Only by making higher growth sustainable will India be able to make inroads into poverty and raise its meagre \$320 a year output

The crisis of 1991 that launched the reforms of the past four years created an opportunity to do so. The fate of reform will not be clear until after the election, but this week's budget could be a sign that the opportunity is slipping

Philip Stephens

St Patrick's day danger



conspiracy theorists will see this week's transatlantic spat over Gerry Adams as an ingenious plot. Think of it this

giving up its weapons. That is the next essential step to entrench the ceasefire in Northern Ireland. Mr Clinton invites the Sinn Fein president to the White House. He allows him to start raising funds among Irisb Americans. Mr Major feigns borror. Like an angry spouse, be even refuses to take a kiss-and-make-up telephone call. Mr Clinton. anxious to avoid divorce, turns the heat on Mr Adams. A week of so later Sinn Fein offers to talk seriously about decommissioning. A truck-load of Semtex explosive - unprimed - turns up overnight outside an army barracks. British ministers agree to participate in the talks in Belfast with Sinn Fein. Peace is back on track; and all fixed up on St Patrick's day at the White House.

ft's neat. It is even possible that happy accident might yet take us to the same destina-tion. If it does, and let's hope so, Mr Clinton will claim the credit for a brave initiative. Mr Major will say that his pressure on Washington did the trick. Sadly, the conspiracy theory does not stack up with reality. The row ovar how best to manage the next, most delicate, stage in Sinn Féin's pas-sage from terrorism to politics was serious; and dangerous. It has illuminated the precarious nature of the quest for a per-manent peace; and shown the capacity of the Clinton administration to destabilise a process it does not understand Sensible people will not be

fussed at the damage the episode is said to have done to what a bandful of politicians still call the special relationship. We know that president and prime minister do not get on too well. It is partly a matter of personal chemistry, partly a question of lingering White House resentment over the Conservatives' ill-judged assistance for George Bush in the 1992 presidential campaign. More fundamentally,

doubt Britain's strategic importance united Ireland. The loyalist acy the has been much diminished by parties displaying an imaginathe end of the cold war. The cultural and linguistic ties which make the British feel comfortable with Americans. and vice versa, speak for themselves. Strong institutional links, especially in defence and security, will survive more than the odd setback. But the foundations of the relationship have been cracking ever since the Berlin Wall came down. The US no longer needs its floating aircraft carrier anchored off the coast of continental Europe. Add to that a

> stir in Wash-The Adams row For the British. all this is has shown the Ιt painful. involves degree of selfof the peace recognition which we have spent most of the past 50 years trying to to destabilise it escape. The

ingness to come to terms with our loss of influence on the international stage nurtures the nationalist virus infecting sections of the Conservative party. A respectable, even a distinctive, voice in world affairs is not quite the

mood of neo-isolationism on

Capitol Hill and the shift in the

economic centre of gravity

towards the Pacific and it is no

surprise that burt feelings in

ington.

same unwill-

same as empire. An appropriate level of bumility does not require us, however, to applaud a perspective on Northern Ireland sbaped by Mr Clinton's less than impressive poll ratings. This British government does not do many things well. Its handling of Northern Ireland is a conspicuous exception.

The present position in the province is stable but brittle. There seems no immediate prospect of a return to violence either by the IRA or by the lovalist paramilitaries. But the publication last month of the framework document for a political settlement has slowed the momentum. Thankfully, the unionist majority has ignored the advice of its mainstream political representatives to dismiss the document out of hand as a blueprint for a

tion absent among an older generation of unionist leaders at Westminster, have helped keep the process alive. But the equilibrium is fragile. Feting Sinn Fein risks giving spurious credibility to the rage of lan Paisley, Democratic Unionist party leader, and the like.

As for the IRA, its leadership is content for the moment to allow Mr Adams to strut the political stage. The hawks, and there are still plenty, are hiding their time. But IRA commanders are worried about the degradation of their military capability. The ceasefire has lost the IRA its passive support on the fringes of Republican-ism. Crucially, it is short of London do not cause much of a money. It has run out of the funds needed

to pay the

scores of fixers

and belpers

which sustain

infrastructure.

meeting for

Mr Adams has

several weeks.

Then there

precarious nature its military process, as well as are the talks the capacity of the with British officials. There US administration has not been a

> the contacts to include a Britisb minister. The truth is that there is not much more ground for the two sides to cover in their preliminary agenda. Sinn Fein knows the talks have reached a critical juncture. It no longer pretends in its contacts with the British that it has nothing to do with the IRA. One of its senior military commanders has sat in, silently, on the talks. Mr Adams knows he cannot avoid much longer facing up to the arms issue. Waffle about the complete demilitarisation of the island of Ireland has

instead campaigned to upgrade

passed its sell-by date. That was the assessment of a precarious balance in the unionist community and of building pressure on Mr Adams - hehind Mr Major's anger with Mr Clinton. Further rewards for Sinn Féin should await real progress on arms. Personally. I think too much noise was made about the invitation to Mr Adams to attend today's White House reception. It is irritating to see Mr Adams fêted as the leader of Irisb nationalism. I wonder whether Donald Trump and Bianca Jagger, guests at one of this week's \$300-a-head fundraising dinners, know what share of the vote Sinn Féin wins in Irish elections. For the record it is 10 per cent in Northern Ireland and 1.6 - yes. 1.6 - per cent in the Republic. Still, it is probably too much to ask the White House to pay much attention to such electoral niceties.

The decision to allow Sinn Fein to start fund-raising in the US is of a different order. By easing the IRA's financial crisis, it may reduce the pressure on Sinn Fein to offer signals of good intent on its weapons arsenal. The White House was opposed by Warren Christopher, the secretary of state by the US Justice department and by the Federal Bureau of Investigation. US officials have not bothered to deny that the overriding factor for Mr Clinton was political. He was under intense pressure from Senator Edward Kennedy. To have a chance of making it to a second presidential term be needs Irish American votes.

The dangers are obvious. Well-meaning Irish Americans, along with followers, like Mr Trump, of New York political fashion, may write large cheques for Sinn Féin. The IRA has stopped killing people but, until it disposes of its arsenal. it is keeping open the option of a resumption of terrorism. The idea that such funds will be carefully audited is risible. What counts is how the money spent in Belfast and Armagh, not how it is raised in the US. Mr Clinton's own security advisers told him that. The other risk is that unionist opinion will harden against a political settlement and, by implication, conclude the price of the ceasefire is too high. Peace in Northern Ireland will be sustained only if there is parity of esteem for unionist and nationalist traditions.

If this week's row has clarified that truth, it will have done some good. In the meantime, Sinn Fein's admirers in Washington might reflect on the quality a famous bisbop brought to Irish Christianity during the 5th century. St Patrick was conscious always of his imperfect understanding,

Ž. ...

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THE EDITOR

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We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine').

Translation may be available for letters written in the main International languages.

World Bank anticipated devaluation

From Mr Olivier Lafourcade and Mr Jean Louis Sarbib. Sir, Your report, "Cost of CFA devaluation" (February 24) on a conference in Geneva concerning the results of the CFA franc devaluation of January included the claim by Dr Michel Jancloes of the World Health Organisation that there was "no preparation at all" for the social impact of the devaluation on the part of the World

Bank. This is quite simply inaccurate. Prior to the devaluation the bank undertook extensive studies of its potential social consequences, and a large number of country-specific measures - constituting a social safety net - were set in

motion once it took place. Where pharmaceuticals are concerned, the bank - in col-laboration with a number of donors, including the sponsors of the Geneva conference, Unesco and the World Health Organisation - moved quickly following the devaluation to implement a co-ordinated set of measures with the aim of keeping basic medicinal drugs available to the poor.

To absorb the anticipated short-term price increase, the bank successfully urged CFA zone governments to freeze the prices of drugs distributed through the public sector at pre-devaluation levels (with subsidies from the bank to help cover losses thus incurred), while limiting price increases made by private drug distributors. These were stopgap measures, necessary to protect the poor in the immediate aftermath of devaluation.

The bank bas worked with franc zone governments to promote and increase the availability and use of generic drugs, and to introduce greater competition into procurement. Today, the unsubsidised cost of generic drugs is still several times cheaper than the cost of brand name drugs before the devaluation.

Olivier Lafourcade, director, Central Western Africa Department.

Jean Louis Sarbib, director. Western Africa department, The World Bank. 1818 H Street NW. Washington, DC 20433, US

Canada right to 'legal self help' Centrafarm, where Centra-

From Mr A.H. Hermann.
Sir, The consternation at Canada's taking the law in its own hands to enforce against Spain the international prohibition of overfishing in the open seas on, which Newfound-land fishermen depend for their livelihood, ill becomes the European commission ("EU freezes links with Canada over trawler seizure", March 14). For it was the (then) EEC Commission which introduced the device of "legal self-help" into

international business. It did so in the case of American Home Products (AHP) v law into his own hands.

farm, a parallel importer, was accused of infringing deliber-ately Dutch trademark law by re-packing and re-selling under the locally used trade mark of AHP a medicine which, with slight variation of its nontherapeutic components, AHP sold for a lower price under a different trademark in another member state. The commission took the stand that where the manufacturer attempts in this way to "partition" the Common Market, the parallel

rights. importer is entitled to take the

The European Court's judgment in this case (number 3/78, Recueil MDNM1978, p.1823) implies an approval of this novel doctrine, according to which those who deliberately "partition" the Common Market, for example by using different trademarks for different member countries, should be seen as outlaws against whom competitors are allowed to take the law into their own hands by ignoring their trademark

A.H. Hermann. 14. Fawley Road London NW6 1SH. UK

Sloppy way of thinking on | Training is matching roads to cars

From Mr Robert Z. Brooke. Sir. Is it not funny how Britain rejoices over the prospect of large numbers of new cars being built in the UK ("Rise in UK spending planned by three big carmakers". March 15), but wails and gnashes its teeth at the idea of building roads? Let's be generous. Let's not call it hypocrisy. Let's call it sloppy thinking that appreciates the economic value of a strong high value-added manufacturing sector, but rails against invest-

ment in the most flexible form of transport infrastructure. One further thought. Just imagine for a second what kind of transport system we might

bave if the pace of change in car quality or car manufactur-ing had been matched by road or railway operators. Roll on increasing competition in transport provision. Robert Z. Brooke. managing director, Brooke Research,

52 Priory Road, Chiswick, London W4 5JA, UK

Time to quantify evidence justifying executive pay

From Professor J.F. Lamb. Sir. 1 and others have conducted the campaign over the levels of executive pay on the basis of "fairness" and whether the value added by executives justifies their enormous pay hikes. It was therefore of great interest to read an account of an insider ("Opinions on pay provoke positive raaction", March 14).

in seeking to justify the levels of executive pay, Alasdair Simpson makes two qualitative points: that many managers have in the past sought 'greener pastures abroad" and "there is a shortage of top managers" in the UK. It would greatly help public discussion if be, or someone else, could quantify these points.

How many managers went

why? In my own field of science, about 25 per cent of new fellows of the Royal Society now work abroad and whole departments in the US are staffed by Brits. Is there similar evidence for business? If not, why not? A staff contributor to the FT stated that there are perhaps 10,000 people in the UK who could run British Gas or other utilities. If this is so, it does not suggest a lack of "top taleot". Was he correct?

Mr Michael Heseltine, the trade and industry secretary. stated that allowing shareholders to vote on executive pay would deter top managers from coming to the UK. I wrote to ask him for his evidence. The reply indicated he had none. J.F. Lamb,

Kenbrae, 23 Millbank. abroad. where did they go and Cupar, Fife KY!5 5DP. UK

vital to City's status

From Mr Graham Ross Russell. Sir, I welcome the City Research Project's final report ("Still growing after all these years", March 13). It will stimulate debate and action leading to a further strengthening of London's competitive position.

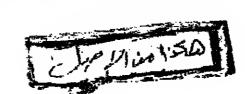
More should bave heen made, however, of the vital part played by training in maintaining the professional competence of individuals and creating a sizeable pool of tal-ent for businesses to draw on. The availability of good training is essential for the City's continuing pre-emi-

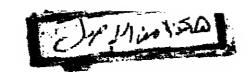
Nor must we overlook the need for a sound reputation for square dealing and integrity. The events of the past few weeks serve to demonstrate this and emphasise the need for both the highest ethical and technical standards.

The Securities institute exists to promote these values. It is a professional organisation for those willing to make a commitment to high standards. and it offers the means of attaining these through the provision of exams and train-

ing.
We strongly support all action which reinforces London's competitive position. Graham Ross Russell,

chairman. Securities Institute. Centurion House. 24 Mortument Street, London EC3R &AJ. UK





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A small step for Italy

Mr Lamberto Dino's narrow victory yesterday in two crucial votes in the Italian Chamber of Deputies ensures that his government lives to fight another day. The prime minister's belated success shows, once again, the finan-cial markets' powers of persua-sion. But the dallying of recent months has imposed a beavy

When Mr Dini took office in Jan-uary, his L20,000bn (£7.5bn) budget package was the minimum required to keep the public finances on a sustainable course in 1995. If the mini-budget passes a second Senate vote next week, a debt crisis is far less likely. Yet the odds have only improved a little. It was clear from October of last year that the budget was destined to overshoot. One government, led by Mr Silvio Berlusconi, did nothing. Another, lacking a clear parliamentary base, has achieved a meagre reform, but only by risking everything in a vote of confidence.

This behaviour has fuelled a collapse in investors' confidence which may prove difficult to reverse. In the short term, the budgetary effects of the tumbling lira and rising interest rates more than cancel out Mr Dini's efforts. Higher interest rates mean that the cost of servicing Italy's government debt will rise by at least L60,000bn, or 40 per cent in 1995, Even without a further rise in interest rates, the events of the past few months would see the 1995 budget deficit rising to nearly 10% per cent of GDP from last year's 9.9 per cent.

Justified action

The business community grumbled when the Bank of Italy raised interest rates by % of a percentage point last month, to 8.25 per cent. But February's sharp rise in consumer price inflation, from 3.8 per cent to 4.3 per cent, indicated that the action was entirely justified. Unfortunately, interest rates will probably rise still further in the next few months.

Trade union wage restraint has helped keep the lid on inflation during the recovery so far. But over the past six months, input price increases have been feeding through to retailers. The relatively benign inflationary consequences tory, Italy has not shown that it is of the lira's much larger devalua- able to do what is needed to lower tion in 1992 are also less likely to those costs.

be repeated now that the economy is close to the peak of the eco-

nomic cycle.

Against this background, the nearly 10 per cent fall in the tradeweighted, exchange-rate index over the past month will almost certainly force the central bank to tighten monetary policy further. A further 1 percentage point rise in interest rates would push the budget deficit up to about 11% per cent in 1995, with public debt rising to 124 per cent of GDP.

Structural reform

Even investors most disillusioned by the recent performance of the Italian body politic are unlikely to wait for a comprehen-sive solution to the country's budgetary woes, before returning to the market. But they will want evidence of a political consensus in favour of structural reform

Early action on pension reform. which Mr Dini has promised, would be a positive signal. But Mr Dini's narrow success yesterday shows the difficulties he will face in achieving this, the most pobtically sensitive item in the budget. As before, the prime minister's scope for action will be constrained by the ever-present threat of a general election. Mr Berlus coni failed to force an early election yesterday, but he is unlikely to give up.

A June election would impose a damaging delay in agreeing the 1996 budget, since it is likely to be at least two months before a new government would be able to draw up its plans. But even if Mr Dini survives until the autumn, he is unlikely to hold on to power much after that. That would inevitably put s question mark over tha 1996 budget. A majority of Italian parliamentarians, some of them crossing party lines, showed yesterday that they did not wish to confirm investors' current low estimations

of their willingness to take action. But the uncertainty surround-ing the future of the Dini government and the likely behaviour of any future government mean that the occasional, forced step back from the brink may no longer be enough. The fall in the lira and Italian bond market decline are the costs of that uncertainty. For all the relief of yesterday's vic-

Europe looks to Japan

Relations between Europe and Japan have long been the weakest of the links between the world's three main economic powers, lacking both the depth and breadth of the relationship which each has with the US. For much of the past 20 years, dialogue between Europe and Japan has been intermittent, confined to a narrow range of trada and economic issues, and often conducted more in a spirit of confrontation than of co-opera-

The European Commission's efforts to lay the basis for a more mature and constructive relationship with Jspan, set out in a recent policy statement, are therefore to be welcomed. To a large extent, the document is a formal recognition that many of the assumptions which have long shaped European attitudes are already being overtakan by

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As the statement notes, some important sources of past friction are diminishing. On the European side, hostility towards Japanese inward investment bas largely evaporated, while the bilateral trade deficit, though substantial, is shrinking steadily as the strong yen boosts Japan's imports and cuts its exports. On the Japanese side, recent political and economic changes have led to more vocal consumers, structural npheavals in industry and increased emphasis on deregulation.

Low-key approach

While these developments offer opportunities for a more fruitful dialogue, it is less clear what it should consist of. At the economic level, the Commission makes mucb of its low-key recent spproach to bilateral trade disputes, which if contrasts with US bullying tactics and threats of unilateral trade sanctions. But this may simply reflect the fact that the EU carries smaller sticks than the US. It is not obvious that, by talking quietly, Europe's trade negotiators have achieved superior results. Furthermore, Brussels has raised doubts about the sincerity of its commitment to a kinder, gentler, relationship by warning Japan that it would jeopardise that objective if it spurned EU demands to speed up domestic

The EU's policies, and its criti-sphere of trade.

The second secon

cisms of American tactics, would carry more conviction if it placed its own relations with Japan more firmly in a multilateral framework. Both sides have a strong interest in an open world trade system and could do much to promote it by working more closely to ensure tha success of the World Trade Organisation. Such co-operation could also reduce bilateral conflicts provide an additional incentive for both to pursue liberal trade policies.

Political dialogue

How far the two can enlarge their political dialogue, as the Commission proposes, is much more debatable. The EU's external writ is mostly restricted to trade issues, and Europe lacks the institutional framework which would be needed to sustain a much broader relationship. Furthermore. Europe's political and economic profile in Japan and the rest of Asia is extremely modest, and its stake in regional security non-existent. Meanwhile, the same reasons

why Jspan enjoys much stronger bonds with the US limit its capacity to expand rapidly its relations with Europe - or indeed other countries. In effect, Tokyo has for the past 50 years contracted stewardship of its foreign policy to Washington, in return for US guarantees to underwrite its national security and that of the Asian region. Japan remains deeply reluctant to change this arrangement, still less to assume the responsibilities of a geo-political role commansurate with its

economic power. Admittedly, Japan has recently shown signs of more independent thinking, notably in its relations with the rest of Asia, it is also seeking a permanent seat on the UN Security Council. But such ambitions are being pursued cautiously, and Japan remains wary of any action which risks incur-

ring American displeasure. As a consequence, the scope for broadening Japan's political relationship with Europe seems limited, and any progress is likely to be made in small steps. That may aventually yield some worthwhile results. Meanwhile, the priority should be for them both to seek constructive initiatives in the

any a Russian ruler since the Middle Ages has resorted to the same, disturbing techniqua to remind his subjects bow indispensable he is: slipping briefly and mysteriously out of sight only to come storming back,

with greater self-confidence than

ever, when the moment is right, After a winter of uncertainty about who was in control of the Kremlin, Boris Nikolayevich Yeltsin is making one of his storming returns. He is reaffirming Russia's commitment to economic reform; its desire to mend fences with the US; and above all, his own central

role in both those enterprises. That was the message the Russian president drove bome yester-day to foreign journalists. Thay were brought to Russia with a speed and efficiency that made them feel someone in the Kremlin wanted to speak to them very

The man who greeted his guests was animated, alert, full of the rough charm which has captivated Russian voters and disarmed for eign statesmen. Like many of the Russian leaders who have imposed their will, he is by turns severe and indulgent, frightening and full of whimsical generosity.

Twice he selected a look of fury from his vast repertoire of facial expressions. One of those moments came when Mr Yeltsin was asked whether it was true - as distinguished Russian newspapers such as Izvestia have reported - that members of the presidential guard were interfering in the economy.

"All of the important decisions are taken by the president," Mr Yeltsin insisted. This was an affirmation that, in spite of the increasingly Byzantine nature of Kremlin policy-making, he remains the ulti-mate source of authority.

Within Russia, that presidential authority has recently been cast into some doubt by the growing influence of Mr Yeltsin's personal guard; its leader, General Alexander Korzhakov, has been compared by some Russian observers with Rasputin, the shadowy monk who held Russia's last tsar in his thrall. But Mr Yeltsin angrily insisted that "the guard protects him [the

not interfere in the economy". The economy, be said, "is none of its [the presidential guard's] business". Mr Yeltsin, who has sometimes appeared to be at one remove from Russia's economic affairs, declared: There are no questions of reform which are outside the purview of

president] from terrorists, it does

the president." Over the past few months, as the Russian government has pushed its 1995 budget through parliament and negotiated a deal with the International Monetary Fund, Mr Yeltsin

Russian president Boris Yeltsin is reasserting his authority, say Bruce Clark and Chrystia Freeland

Still master of the Kremlin



President Boris Yeltsin: storming back with plenty of self-confidence

has often seemed a distant third behind Mr Victor Chernomyrdin, the prime minister, and Mr Anatoly Conbais, the reformist deputy prime minister, in the making of economic policy. But yesterday Mr Yeltsin painted a very different picture of Russia's decision-making

"Every Tuesday, Chernomyrdin and I meet at my office and we define the fundamental questions of reform," Mr Yeltsin said. "Nobody, neither the prime minister, nor deputy prime ministers nor anyone in the presidential apparatus can change those decisions." And the substance of those presi-dentially driven decisions, Mr Yeltsin said, is a determination to implement tough economic reforms. "I decided to pursue a stricter financial policy this year, and we will pursue it," Mr Yeltsin said, pointing

to his decision to veto a law which would have more than doubled the minimum wage and broken the budget as evidence of his commitment to fiscal and monetary austerity.

In comments which recalled the early days of his presidency, when Mr Yeltsin was the clear leader of

Russia's first effort to build a market economy, he said that "the main thing we have achieved is that people who for 75 years did not know what private property is and lived under a totalitarian regime have begun to understand what the mar-

Mr Yeltsin conceded that the reform efforts have not yet met with total success or full public support. "Of course, the mood of the people varies," he said. "Whoever has a good income has a good mood and whoever has less income is in a bad mood." But Mr Yeltsin appeared confident that market forces would prevail. "People now have a very strong stake in making production efficient so that their incomes will rise," he said.

And thanks to this new link

nomic efficiency Mr Yeltsin said that this year, "we are certain of getting past the peak of the crisis". He promised that inflation, running at 11 per cent in February, would be down to 1 per cent or 2 per cent a month by the end of the year.

Apart from rumours about the interference in the economy by his guards, the other subject which prompts a look of fury from Mr Yeltsin is Mr Dzhokhar Dudayev, leader of the self-proclaimed Chechen republic. Asked if be could ever contemplate meeting Mr Dudayev, be said: "I have no intention of meeting Dudayev because he is a bandit who ought to be tried for having annihilated so many of his own peopla . . . He has assembled the criminal world around him and gathered money all over the world to organise a rebellion in Russia, so he must at a minimum be put on trial."

But furious wrath - the wrath that has claimed thousands of civilian lives, and left much of the Chechen city of Grozny in ruins - is only one of the faces that Moscow is showing as it struggles to assert its authority in the north Cancasus mountains.

Russian officials say considerable effort is being devoted to winning Chechen hearts and minds and setting up local government structures loyal to Moscow.
"Negotiations are intensifying

with the [Cbechen] elders, with

town and district representatives. A Chechen government has been organised and a timetable has been set for elections," Mr Yeltsin said. He added: "We understand that until elections are held in a democratic way, we will not convince the world that the situation in Chechnya is democratic and that human rights are not being violated."

Whether he is dealing with friends or enemies. Mr Yeltsin gives the impression of baing someone who takes things very personally.
While praising Mr Bill Clinton, US
president, for his "understanding"
attitude to the Chechen war, he singled out Mr Helmut Kohl, German chancellor, as the foreign statesman with whom he had the closest ties. "Of all the world leaders, my most frequent telephone conversations are with Helmut Kohl, Hardly a week passes without us having a conversation," he says. "We are

e also singles out Hungary as the country in central Europe with which Russia has particularly good relations, although the terms of his compliment may cause some embarrassment in Budapest. He said he recently told Mr Gyula Horn, Hungary's prime minister, that "things are calm between you and our-selves." This was because in central Europe "some people are orienting themselves towards the west and some people are orienting them-selves towards Russia" and Hungary was viewed in Moscow as having made the latter choice.
"Hungary is orienting itself more to Russia because its entire economy is built on Russian technology," Mr Yeltsin said.

The president confirmed that an exchange of letters on the subject of European security between himself and Mr Clinton was being planned. But the content of those letters and the terms on which Russia might be reconciled to the idea of Nato enlargement - remain a mystery. By stressing that he was against the "sudden, large-scale" expansion of the Atlantic alliance, Mr Yeltsin left tantalisingly open tha possibility that some other for-mula for Nato enlargement might

Western officials believe that Russia might be soothed by assurances that newcomers to Nato will not play host in peacetime to nuclear weapons or foreign troops. Those conditions are viewed in the west as unacceptable as they stand, but a reasonable basis for negotiations. But Mr Yeltsin is too skilled to put all his cards on the table at once. Even as he clarifies his position on the economy, and his role as master of the Kremlin, the president is determined to keep the world guessing about some of his intentions.

Why it's time to net the culprits



The full extent of illegal fishing practices perpetrated by Spanish and Portunorth-west Atlantic is not widely appre-PERSONAL ciated. Out of 44

VIEW Spanish vessels active on the Grand Banks off Newfoundland in eastern Canada, 36 have been issued with citations over the past four years. Their offences included misreporting catches, using illegal nets and net linings and retaining under-age

One of the most destructive of these practices is the taking of juvenile fish before they reach sexual maturity and can help to ensure healthy stock levels are maintained. The information we have from

our inspection of the Estai - the Spanish vessel boarded and seized by Canadian authorities on March 9 confirms our concerns regarding the conservation of turbot stocks. It also exposes as never before the xistence of damaging, anti-conser-ation fishing practices. the Spanish factory trawler fleet began fishing outside Canada's 200-mile limit and the European Union existence of damaging, anti-conservation fishing practices.

on board the Estai was processed from immature turbot and could not have been taken by legal gear. The recovered nets that were cut guese vessels in the from the Estai bear this out.

The North-west Atlantic Fisheries Organisation, which has regulated the harvesting of certain groundfish stocks outside Canada's 200-mile limit since 1979, requires a mesb size of 130mm for nets employed in This allows juvenile fish an

opportunity to escape, thus ensuring the conservation of the stock. The Estai's nets were only 115mm and also contained a lining with a mesh size of only 80mm.

Turbot reacb maturity between 60cm and 70cm in length (24in to 28in). About 79 per cent of the fish aboard the Estai were less than 38cm long, and 22 per cent were between 23cm and 29cm. The only way to account for this type of catch - virtually entirely juvenile fish - is the use of illegal gear.

The origins of the current dispute date back to the late 1980s, when

n using an objection procedur in the NAFO rules to exceed NAFO guotas

In this period, EU vessels fished more than seven times the amount of cod, redfish and flounder allocated to them by NAFO.

This contributed to the imposition of moratoriums on fishing for flatfish and cod on the so-called Nose and Tail of the Grand Banks.

The vast majority of the product on board the Estai could not have been taken by legal gear

With these other groundfish stocks exhausted, the EU fleet turned to turbot, which had previously been harvested mainly by Canadians. The EU's turbot catch rose from 4,000 tonnes in 1989 to more than 50,000 tonnes in 1992-93. Spanish vessels accounted for most of this.

Last year. Canadian scientists and the NAFO's scientific council

changed its size and format and is coming out with a full colour cover.

Now this is definitely one in the

eye for the more elderly publication

Foreign Affairs, whose sole nod in the direction of modernity has so

far been limited to switching from

Nor does rivalry between the two

show any sign of abating. Morton Abramowitz, bead of Washington's

Carnegie Endowment which owns

commemorate the new edition by

submitting his own article, "of a

Bill Maynes, the editor, risked

lèse majesté and turned it down.

enough these days without your

article, Mort," he apparently said.

to Foreign Affairs in New York,

from Jim Hoge, its editor.

Blackball news

So Abramowitz sent his screed on

only to collect another rejection slip

"Give it to Maynes," Hoge suggested, "he'll publish anything".

"American foreign policy is funny

Foreign Policy, decided to

bumorous nature."

an off-grey to an off-blue cover.

highlighted problems with the turbot stock. In response, Canada drastically reduced its catch. In September 1994, NAFO for the first time set a Total Allowable Catch for turbot. That catch was 27,000 tounes in 1995 less than half the 1994 level of

about 60,000 tonnes. In February, NAFO allocated 16,000 tonnes - or 60 per cent of the catch allowable in 1995 - to Canada. This was based on Canada's traditional share of the stock. It allocated 3,400 tonnes to the EU.

But the EU has used the NAFO objection procedure to set for ttself a quota of 18,630 tonnes, or 69 per cent of the catch allowable in 1995. Unfortunately, this is not the first time such unilateral measures have been taken by the EU to maintain its Spanish fleet of factory-freezer

trawlers in a profitable exile away from European waters.

Faced with a destructive assault on the resources of the Grand Banks, Canada legislated in June 1994 to give the government authority to make regulations for the conservation on the high seas of stocks that straddle the Canadian 200-mile

fishing limit.

Our groundfish fleets have been tied up, with more than 40,000 fishermen and plant workers idled. and Canada has already committed itself to a 60-day moratorium both inside and outside the 200-mile limit. Meanwhile, Spanisb fleets continue to fish the Grand Banks.

Our message seems to have struck a sympathetic chord in other fishing communities around the world. Mr Tom Hay, chairman of the Scottish White Fish Producers' Association, is among those to have sent encouraging messages. Mr Hay called on all UK fishermen to "give the Canadian government their full and unqualified support."

The steps we have taken in the past week were not solely in the interests of Canada. We are concerned with the conservation of a resource for the sake and future of the world. The rectitude of our actions will be praised in generations to come.

Brian Tobin

The author is Canadian minister of

OBSERVER

One netty number

■ Big Blue is turning kinda cool. IBM's 1994 annual report seems to owe something to the style of Wired, the hotshot San Francisco computer magazine with its jazzy graphics and dry humour.

The paper version of the annual report includes, for example, a section designed to demystify technobabble, entitled: "Is your bandwidth gooey, a low-RISC guide to talking Tech." Or how about the definition of cyberspace, which "doesn't really exist, except when you use it. Bigger than life. The final frontier, Makes you tingle?"

The conventional elements of an annual report are all present and correct, but they are accompanied by half-a-dozen stories of how individuals use IBM technology rather than the more traditional sort of worthy enumeration of bulk orders to bulky corporations. Next week comes the CD-Rom

version, with digital video sequences narrated by chairman Lou Gerstner. An interview is also promised, in which Gerstner will respond to

some of the most frequently asked

questions about the future of the company. Finally, stand by for the report on the internet, where the World Wide Web page will feature elements of both the printed and recorded versions including sound, graphics

and video. Surely one of the more ambitious corporate billboards around.

Huffy Uffe

■ Political parties all over Europe are out of fashion, and their membership numbers in free-fall. Not least in Denmark.

Danish establishment politicians got smacked wrists by the voters in last year's general election when, for only the third time this century, voters elected an independent MP, the comedian Jacob Haugaard. His platform promises - among

other things - more presents from Father Christmas got him a seat but appalled mainstream poblicians. Yesterday the dullards launched a joint campaign to boost their ranks,

Oddly enough, Liberal party leader Uffe Ellemann-Jensen wasn't sure that a parliament of comedians is sucb a bad idea: "At least we would get that pause we all so long for in tha torrent of legislation."

When a Danish politician wearies of politics, you know things are bad.

Multicolourism

■ The US diplomatic establishment is in shock. Foreign Policy magazine - that's the long thin one designed to fit into a jacket pocket and which used to require fingers of steel to prise open - has celebrated its 25th anniversary.

To mark the occasion, it has

■ So Malcolm Matson, the telecoms entrepreneur and Harvard MBA. has lost the first round of his attempt to change the rules of one of Britain's most exclusive clubs the Corporation of London's Court of Aidermen.

Matson, who gained 78 per cent of the vote in a ward election, but then failed to get ratified by the Court of Aldermen, is waging a campaign to challenge the

"secretive and undemocratic" ways of City governance. No help from the High Court yesterday, where the judge ruled there was nothing in the law requiring aldermen to give reasons for a blackballing. Matson will seek

leave to appeal. A grammar school boy beating at the door of a public schoolboy's club, Matson and his freely dispensed Christian views - and liberal use of phrases such as the moral marketplace – make the City

establishment squirm. But he is not about to go away. While he vows never to stand in another such alection, he is not shy of throwing money behind a fight by other means.

"The truth is very patient and sometimes very expensive" he mutters darkly.

Uphill struggle

Things have been going rather well of late for Arlette Laguiller, the radical leftwing Workers' Struggle candidate for the French presidential election.

Having faithfully stood every seven years since 1974, Laguiller suddenly finds berself the subject of considerably more press attention than normal. Only problem is, most hacks seem

at least equally interested in her views on her employer, which just so happens to be the haemorrhaging state-controlled bank, Credit Lyonnais.

50 years ago

Pan-American Airways Pan-American Airways' stockholders have approved proposals preparatory to an offering of new stock and rights to subscribe to it. They have agreed to a two-for-one stock split up and an increase in the authorised capital stock from its present 6m shares to 10m. To date, shares outstanding total 1,993,261 with a par value of \$5 -each. After the stock split-up, the shares will have a par value of \$2.50.

Dearer farm products Brussels: The Government has been compelled by circumstances to authorise a price increase for farm products by an average of 40 per cent, with a view to encouraging farmers to sell. Subsidies will. prevent an increase in consumer prices, and so avoid agitation for higher wages which would follow a rise in the official cost of living index.

Australian wool tax A new Bill provides for the quadrupling of the rate of tax under the Wool Tax Act, making the tax two shillings a bale, one . shilling a fadge or butt and

The Financial Times was not published on Sunday March 17

fourpence a bag.

Friday March 17 1995



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can be put with the parent bank

Given that funds often have less than

5 per cent of their assets in cash any-way, that looks a bit soft. Schroders'

alternative of creating a "money

fund", placing cash with a group of

hanks, is safer - though it may

With market forces already at work

the case for regulation to protect chent cash is slim. It would merely add

to red tape. The greater case for regu-

lation following Barings' collapse is to

stop banks lending large sums to their securities arms. Ordinary depositors are not in a position to vet whether

their banks are using their cash to

take big hats in financial markets.

Regulators must insist on firewalls to

Mr Tiny Rowland was never likely

to go down without fighting, so yester-day's passionate letter to shareholders

is not surprising. After all, sharehold

ers will vote next week on his contin-

ued attachment to a company to which be has devoted 34 years of his

But the argument that "my services

cannot be terminated since they come from the heart" carry little weight

from a man who earned more than

£1m, with substantial extras. It's vin-

tage stuff, but the label is familiar for

Yet Mr Rowland raises one issue

which will continue to affect the new

Lonrho; namely, the lack of expertise

of Mr Dieter Bock, its chief executive.

Mr Bock joined Lonrho in 1993

because he had money; hut at the

same time he did not appear to pose a

make up the sprawling Lonrho

Lonrho shareholders.

prevent it.

Lonrho

involve some extra expense.

Republicans plan to cut US spending by \$190bn

By George Graham

Republican leaders yesterday unveiled plans to slash government spending by \$190hn over the next five years as President Bill Clinton and his fellow Democrats attacked cuts they say would hurt the poorest and weakest segments of society in order to provide tax breaks for the

The spending reductions proposed yesterday by Congressman John Kasich, chairman of the House of Representatives budget committee, match the estimated cost of the package of tax hreaks the Republican leadership intro-

duced last week Mr Kasich said he would reduce the caps on discretionary spending, which must he approved by Congress each year, by \$100hn ovar the next five

from Congress, would affect welfare, food stamps, school lunches and civil servants' pensions.

Democrats bave found their criticism of the Republican plans offers an opportunity to rebuild their shattered party unity and to strike a chord with public opin-

"Basically they are cutting kids, education and cops so that they can dish money off to the wealthiest in America through their tax cuts," said Mr Mike McCurry, the White House press secretary, encapsulating the line of attack Democrats have

repeated over the past week.
Mr Rasich defended his spending cut plan, arguing that it was only right to return some money to bard-pressed taxpayers through a proposed cut in capital gains tax and a \$500-a-child income tax credit, "It's their

of their Contract with America manifasto, they have found it harder to unite on the specific cuts which would make up the lost revenue, an area which was left hlank in the manifesto.

Many Senate Republicans are hostile to the tax cut proposal and would prefer to concentrate on spending cuts that would reduce the budget deficit.

House Republicans ran into a similar feeling yesterday when they passed a limited plan to cut spending in the fiscal year already under way by \$17bn. Part of these savings will be used to offset emergency spending on disaster relief, but Republican leaders had hoped to use some of it to help pay for the tax cut plan.

They have had to abandon that idea, opting instead to place the savings in a "lockbox" to be used to reduce the deficit. Without this commitment. Republican eaders risked losing some votes

of Lonrho

Mr Tiny Rowland has launched an emotional attack on Mr Dieter Bock, the German financier who recently sacked him from the board of UK company Lonrho

private companies.

Lonrho dismissed the statement saying. "Mr Rowland's allegations are either inaccurate or spurious. It is all rather sad."

appealed to shareholders to support his appointment as president of the company at next Friday's annual general meeting. "My services to Lonrho cannot be terminated since they come from the heart, and perhaps you will con-sider recognising whatever fun and profit you have had from your shareholding in Lonrho hy

The proposal will still he put to

Mr Bock was brought into Lonrho by Mr Rowland at the end of 1992 when he bought a 7 per cent stake from Mr Rowland and underwrote a much-needed rights issue. Mr Rowland claimed yesterday that Mr Bock had "apparent difficulties" in paying for the holding and offered some shares in Advanta, his German property

missal came after he questioned Mr Bock's role in the sale of 4,300 German flats by Lonrho in 1993. Mr Rowland claimed: "I was just putting this view forward in my mild and agreeable way over a cup of tea when Mr Bock became incandescent with rage and ordered ms from the Lonrho huilding which we moved into in

magazine Focus and the British newspaper, Mail oo Sunday, over allegations related to the deal. In addition to sending the let-

ment in the Financial Times and other newspapers. But it could not appear for legal reasons

See Lex

years, with severe cuts in foreign But although the Republicans aid and job training programmes. from their own party without picking up any offsetting votes from Democratic deficit hawks. Further cuts in entitlement have agreed in general with the spending, which recurs year after plan to cut taxes, which was part Mexican peso slips again

despite interest rate rise

Crawford in Mexico City

The Mexican peso, which has fallen sharply since the country's bungled devaluation in December, weakened again vesterday in spite of this week's sharp increase in interest rates.

The peso fell to 7.09 to the dollar from 6.95 at Wednesday's close, in the interbank market, rates rose close to 110 per cent on Wednesday, although yesterday the secondary market rate for 28day treasury hills or Cetes fell about 10 percentage points to 78 per cent.

In an effort to counter investors' negative view of the economy, Mr Miguel Mancera, governor of the central bank, sald there had been "a brutal adjustment" because of tight monetary policy, which was already show-

The current account had moved into rough balance in February, from an average monthly deficit of \$2.4bn in 1994. That was based on the largest monthly

since April 1988. That alone implied an economic adjustment equivalent to 8 per cent of gross domestic product, he said. Private economists in Mexico City are starting to predict a currentaccount surplus this year for the country. "Nobody realises outside the country the magnitude of the adjustment that has taken

place in the past two months."

There was a profound misconception among some foreign investors that monetary policy was loose, he sald. That perception appeared to have derived from a misconception that the central bank was creating domestic credit in the economy, but that was completely false. "interest rates are so high that nobody

is taking any new credit." A more permanent exchange rate regime would have to await a recovery in the country's reserves and a stabilisation of trade and capital flows, Mr Mancera said.

President Ernesto Zedīllo said

in an interview that he favoured the eventual shift to a more flexihle exchange rate regime than Mexico had employed in recent years, to be centred on maintaining the real value of the exchange rate.

The peso has been floating since December 22, when the government ahandoned efforts to hold an exchange rate floor.

Mexico had drawn down a net \$5hn from the \$20hn emergency credit line made available by the US, according to Mr Mancera. It had drawn \$6bn but had paid back \$1hn of short-term credits.

He said some of that had been used to help banks to pay back a net \$3.2bn of foreign-currency ohligations, although most banks had been able to roll over their liabilities. The bank had also intervened to smooth out the most erratic fluctuations in the exchange rate, although its ahility to do so more frequently was limited by lack of resources.

Zedillo signals flexible interest rate policy. Page 6

Italian PM survives confidence motion

Continued from Page I

into pro and anti-Berlusconi factions, also swung fully behind the government.

Opposition to the government came from Mr Berlusconi and the parties in the previous rightwing administration. Mr Berlusconi showed no regrets about trying to hring the government down. He pledged vesterday to ensure

that the country goes to the polls hy June - his aim ever since the Dini government was formed in

The difficulties ahead for Mr Dini were underlined by comments from Mr Roberto Formigone, one of the leading members in the divided PPI planning to defect to the Berlusconi camp.

"One can't govern against the will of half of parliament . . . and to the 309 votes against the government, one can, from now on, add the main dissident voices in the PPL" Mr For-

migune said. If the pro-Berlusconi camp in the PPI now shifts its votes away from the government, tha administration will have difficulty in surviving. President Oscar Luigi Scalfaro will be under ever-growing pressure to dissolve parliament, with or without pensions

The Dini government has made significant progress with the trade union movement in negotiating a shake-up in the state-run pensions system. Agreement may be reached early next month. But, as the unions pointed out, such an agreement will be useless without a clear parliamentary majority.

Rowland attacks Bock over running

By David Wighton in London

after 34 years at its head.
in a letter which he sent to 57,000 sharebolders Mr Rowland said that Mr Bock, Lonrho's chief executive and largest shareholder, had "displayed very poor management skills in the last eighteen months" and called on him to provide more details of his

In the letter, Mr Rowland voting for me, too."

Two weeks ago the Lonrho board agreed unanimously to dismiss Mr Rowland as a non-executive director and to withdraw the proposal for him to become life

the meeting and, under terms agreed between Mr Rowland and Mr Bock last November, Mr Bock is committed to voting his 18.7 per cent stake for the resolution. The board has advised shareholders to vote against the resolution, which requires the support of 75 per cent of the votes cast.

company, in part exchange.

Mr Rowland said his final dis

Mr Bock is suing the German ter to shareholders. Mr Rowland

had planned to place the state-ment as a full page advertise-

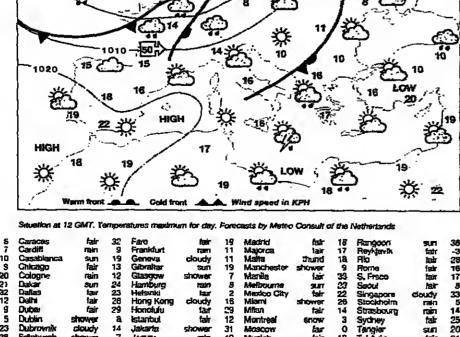
Europe today It will become cooler over Britain and Ireland with wintry showers in northern regions. A front travelling across France, the Netherlands and Belgium will result in occasional rain. Over central France in particular, it will be rainy for an extended

it will be cloudy over central Europe and rain will spread over Germany and the Alpine region. Snow may fall on higher ground. Rain is expected in southern Norway and Sweden, with gale force southerly winds over the Baltic Sea. The Mediterranean region will be mainly dry and sunny, but a depression will cause showers in Sicily and northern Libya. Some showers may be

Five-day forecast

it will remain showery over much of northwest Europe on Saturday, with the extended rain affecting central France until Sunday afternoon. High pressure from the Atlantic is expected to reach Britain by Monday. using frosty conditions at night. It will become milder over south-west Europe this weekend.

Lufthansa



36 -3 28 16 17 8 33 5 14 25 20 21 18 17 18 9 33 22 22 14 3 0 12 27 18 27 14 13 18 6 14 Menocow Murich Natrobi Naples Nessau New York Nice Nicosla We wish you a pleasant flight. Vancouve

THE LEX COLUMN On the right track

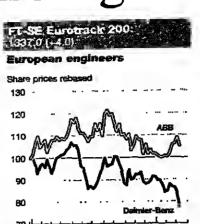
The creation of ABB Daimler-Benz Transportation is an astute move for both parent companies. Economies of scale should allow the joint venture to improve the low margins in the two transportation operations.

For Daimler-Benz, the move helps in its plan to focus on a smaller number of husinesses. The German group has gone some way to resolving the problems at its loss-making AEG division with the sale of its bousehold goods husiness to Electrolux last year. Selling the transportation business out-right might have appeared a more attractive option than a joint venture: the venture leaves Daimler 8900m out of pocket, once it has compensated ABB for the smaller size and poorer performance of its contribution to the new business. But the cash pay-out will soon he recovered. Although AEG's transportation division bas run at a loss for the last two years, its order flow is solid. Like the rest of AEG, its problem is that it has consistently been an also-ran in businesses where only the market leaders are well rewarded. Daimler's next beadache is what to do with the remains of AEG, now that it has sold or hived off the most attractive areas.

ABB, on the other hand, is at last enjoying the fruits of its own rationalisatioo process. Its transportation husiness proved a difficult challenge but it is already profitable. The joint venture is a logical progression. It will place both parent companies at the heart of the recently consolidated European rail transportation industry.

Italian prime minister Mr Lamherto Dini may have scored a significant victory for common sense in forcing through his mini-budget to fill a gaping hole in government finances. But a six vote margin scarcely represents a resounding political mandate. And the odds are increasing that Mr Silvio Berhisconi will win his battle for a June election. Mr Berlusconi is anxious for a quick election since a June referendum could strip him of part of the media empire which has been so active in supporting his political amhi-

Nevertheless, an early election may not be entirely bad for financial markets. Italy is caught in an alarming spiral. The lira has fallen 17 per cent against the D-Mark this year, fuelling inflationary pressures. This has already forced an interest rate rise. which puts up the cost of maintaining



the government's deht mountain and, in turn, pnts further downward pressure on the lira. The obvious means of reversing the spiral would be political stability and firmer economic controls.

Mr Dini can deliver neither. The best hope is that Mr Dini can rapidly push through pension reforms, which would defuse a long-term financial timebomb. This would provide a fillip to financial markets in the run-up to elections. However, even then there is only limited hope that an electoral victory will secure the stahility that Italy so desperately needs. Analysts may argue that equities look attractively valued, but the risk/reward ratio continues to look unfavour-

Client cash

British merchant hanks have a nice little earner in acting as the deposito-ries of cash from their fund manage-

But as Barings' collapse shows, the habit is risky; Barings' fund manage-ment clients nearly lost out. The practice violates the investment principle of not putting all one's eggs in one basket. Not surprisingly, clients and their consultants are getting edgy. And the merchant hanks - led by Schroders and Robert Fleming - are reviewing the practice.

One option - preventing fund managers depositing any cash with their parents - misses the point. The risk comes from concentrating cash with a single institution whether or not that is the parent.

A better alternative is to spread

cash around several banks. Fleming is

toying with the idea of limiting to 5

threat to Mr Rowland's reign, Mr Bock has made moves to demonstrate Lonrho's value, such as floating off Ashanti and restructuring the hotel empire. But ultimately, he has little knowledge of the husinesses that

Lonrho still has two big problems: lack of cashflow and credibility. The ongoing business continues to haemorrhage cash, which can only be tapped by asset sales. And Mr Bock has not helped by raising Lonrho's already thinly covered dividend. Making himself a non-executive chairman and bringing in an experienced chief executive would help plug that credibility gap. There is a lot to fight for. Lonrho shares trade at 142p, compared with estimated asset values of up to 200p.



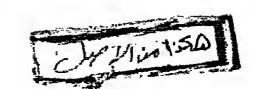
Orders are taking off for the 420 mph Saab 2000 because it combines turbofan speed and cabin comfort with turboprop economy. The advanced propeller system developed by Dowty Aerospace was a key factor in getting this pioneering concept in regional transport off the ground

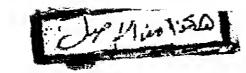
Each Dowty propeller has six carbon and glass fibre swept blades. Capable of high efficiency in cruise, the propellers are electronically controlled by a system integrated with the engine. This ensures precise speed control and synchrophasing accuracy, making the cabin one of the quietest in its class. Without Dowty, the new Saab couldn't reach for the sky. Dowty is one of Ti Group's three specialised engineering husinesses, the others being John Crane and Bundy.

Each one is a technological and market leader in its field. Together, their specialist skills enable TI Group to get the critical answers right for its customers. Worldwide.



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COMPANIES & MARKETS

OTHE FINANCIAL TIMES LIMITED 1995

Friday March 17 1995



Telford.

IN BRIEF

UB weakened by rising costs

Recent price increases for biscuits in the UK and US signalled a positive shift in retailers' attitudes, United Biscuits said yesterday as it announced prof-its badly weakened by rising costs and falling prices. Page 24

Swedbank aims for May share sale Swedbank, the Nordic region's biggest bank by asset value, yesterday said it would carry out its planned listing on the Stockholm stock exchange through a SKr3bn (\$417m) share sale in May.

Price rises drive recovery at MoDo Big increases in pulp and fine paper prices have driven a recovery at MoDo, one of Sweden's leading pulp and paper groups, to profits of SKr1.82bn (\$252.8m) last year from a SKr449m loss in 1993.

Improved sales lift BMW by 35%
BMW, the German carmaker, lifted net profit by 35
per cent last year, to DM697m (\$500.5m) from
DM516m a year earlier, on the back of higher sales
in most world markets. Page 18

Setback to Viacom's disposal plan Attempts by Viacom, the US media group, to sell its cable TV interests suffered a further setback on Wednesday when the Senate finance committee voted to block tax breaks for minority owners of communications companies. Page 20

KKR takes leave of an era of greed In what is being seen as an ignominious codicil to the "greed" era of the 1960s, Kohlberg Kravis Roberts, the Wall Street investment firm, is giving away its stake in RJR Nabisco, the US tobacco and food group it bought at the climax of the leveraged buy-out boom. Page 21

Ayala Land profits advance 62% Ayala Land, the Philippines' largest property developer, boosted net profits in 1994 to 2.16bn pesos (\$83m), an increase of 62 per cent over the previous year's earnings. Page 22

Glazo Wellcome merger talks Directors of Glazo and Wellcome began talks yesterday on integrating the two companies after Glaxo's £9.1hn (\$14.9hn) takeover, the largest in UK corporate history, was declared unconditional after the US Federal Trade Commission gave its consent.

Flemings build SA investment bank Flemings, the UK-based investment bank, yesterday announced it had agreed in principle to take a 50 per cent stake in Martin and Co, South Africa's largest stockbroker, as part of its plan to huild a regional investment hank there. Page 23

Farm aid to 'city stickers' attacked Over the past 10 years, more than \$1.80n (£1.09bn) in US government subsidies have been paid to absentee owners of US farms who live in US cities, according to a report by the Environmental Work-

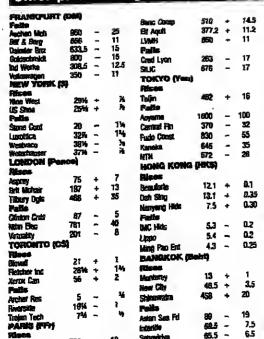
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Chief price changes yesterday



Barings reports showed 'nil' risk

By John Gapper and Nicholas Denton in London

Senior executives of Barings, the collapsed UK merchant bank, were given daily reports indicating that Mr Nick Leeson's trading operations were not placing it at

any risk, according to internal documents.

Reports to Barings' asset and liability committee, which monitored trading risk before the bank's collapse last month. show Mr Leeson's trading positions on the Nikkei 225 index as fully matched, and therefore risk-free.

The reports, several of which have been obtained by the Financial Times, gave daily "value at risk" figures for all global trading operations. Throughout February, until the collapse, the reports showed "nil"

risk for the unit headed by Mr Leeson. In fact, Mr Leeson was apparently hiding shows matched long and short positions unmatched futures and options contracts with a value of \$3.1bm on the Nikkei index. in at least two "error accounts". These led to the collapse of the bank with losses of £860m (\$1.4bn), and its acquisition by Internationale Nederlanden Group.

The reports to the asset and liability committee in London led executives to believe the bank was running no signifi-cant trading risks. Executives are likely to use them as evidence they did not condone a risky trading strategy. However, Bank of England investigators will examine how the bank's senior executives were deceived hy the reports, which were drawn up on the basis of daily positions reported by traders in Singapore and Japan.

The report for February 21, two days

Senior Barings executives say the daily

\$10.3bm on Japanese government bonds, and \$51m on Euroyen. The trading opera-tion, run by Baring Futures (Singapore), of which Mr Leeson was general manager and chief trader, worked by exploiting small price differences between contracts on Japanese and Singapore exchanges. The "valua at risk" method employed in

the reports showed how much of the group's capital was at risk from movements to financial markets. It is regarded by large investment banks as a sophisticated method of measuring trading risks.

reports to the asset and liability commit-tee, which involved Mr Peter Norris, the

head of investment banking, reassured them when questions were raised about positions held in Osaka. However, the investment banking management commit-tee, which oversaw all operations, decided in February to cut positions when con-tracts expired in March because of concerns that they were growing too large.
The asset and liability committee

included Mr Ron Baker, head of the finan-cial products group, which had functional responsibility for Mr Leeson's trading. The daily reports show that the arbitrage "switching book" run by Mr Leeson was making significant profits in Febru-ary. In the month to February 21, income of £4.5m was recorded for exchange arbi-

trage on the Nikkei 225 index. More reports, Pages 20 and 26

Tony Jackson looks at the innovative record of a small-town family-run company

real costs have to come down by

2-3 per cent a year, or you won't

be a supplier. Optical fibre has to

keep coming down by 5 per cent.
"In healthcara, we're under
pressure from managed care

organisations. I operate on the

assumption that over time, our

costs must go down 3-5 per cent a year in real terms."

Part of the answer lies, once

again, in technology. In optical

fibre, the company reckons to

have worked through eight generations of manufacturing tech-

nology since the early 1980s. "It

wasn't so long ago that we were

selling fibre at \$1 a metre," Mr

Houghton says. "Now it's five

cents, and our margins have been

Mr Houghton's view, owes much

to Corning being a family com-pany. It has been run by

Houghtons since Its foundation, his immediate predecessors being his elder brother Amory – now

the local congressman - and his

"Family ownership of the com-

pany isn't what it used to be," he

That long-term commitment in

very good throughout."

Corning looks ahead to the next big one

in the northern footbills of the Appalachian mountains, might seem to the casual observer a parody of Victorian capitalism. From their mansions high above the town, the ruling Houghton family - the company chairman and his brother the congressman - look out on the workers below.

The old glassworks, founded by their great-grandfather, has been knocked down and replaced by a gleaming black office block. But in a town of 12,000 inhabitants, 6.000 are still employed by

Corning.
Intensely traditional companies are not uncommon in the US. Less common is the fact that Corning is also intensely innova-tive. The company's laboratories in the town made the first light bulbs for Thomas Edison, and were the first to mass produce glass tubes for TV sets.

They also invented optical fibre, thus laying the pathway for the information revolution. As Mr Jamie Houghton, Corning's chairman, says "very few companies can say they have produced inventions that changed the lives of mankind. We've produced

At the heart of Corning is the technology of inorganic materials. From the starting point of the old glassworks, this has led it along some curious paths. Like most glass companies, it is heavily involved in the motor industry. But instead of making windscreens, it is the world's biggest producer of ceramic honey. combs which form the basis of catalytic converters for car

Similarly, its starting point in laboratory glass has led it to become a leading provider of blood tests, besides working on drug development and biotechnology manufacture for the pharmaceutical industry.

In electronics, it is the main producer of glass substrates for the flat screens used in personal computers. Corning makes nose cones for

spacecraft, giant mirrors for stronomical telescopes and projection lenses for high definition TV sets. "Virtually everything we do," says Mr Roger Ackerman, Corning's chief executive, "goes back to an invention in our labo-

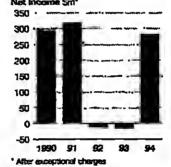
Not all these inventions are benign. In the 1930s, a Corning scientist inventad silicone. Unsure what to do with it, Corning formed a joint venture with Dow, the US chemicals company. Dow Corning went on to become one of the biggest makers of silicone breast implants, and is now facing enormous claims for dam-

The venture, Corning insists, is ring-fenced, so that no hability attaches to its parent. Nevertheless, the affair has depressed Corning's share price, and is a blot on its reputation with inves-

It has not, however, dampened the company's enthusiasm for joint ventures. Corning has an extraordinary array of these, with partners ranging from Sie-mens of Germany to Mitsubishi of Japan and Samsung of Korea. There is an unwritten company

rule that these ventures should not make up more than half the business. Nevertheless, as Mr Ackerman makes plain, they are a fundamental part of Corning's philosophy. "The joint venture is a financial hedge," he says. "More important, it shortens the tims you take to get to market." Besides Dow Corning, the com-

Corning



pany has one other headache: its consumer division, which is the world's largest producer of tableware and cookware, such as heatresistant Pyrex (another Corning invention). After several years of losses, the division made a meagre \$56m of operating profits last year on \$780m of sales.

That business is in critical care," Mr Ackerman says. "It's climbed out of the cellar, but if it doesn't meet the goals that the board has set for it, we'll probably have to do something with

One of the difficulties the company faces is the downward pressure on prices from big retailers. The problem is not confined to the consumer division.

As Mr Ackerman observes, Corning may be big in its niches. but some of its customers have purchasing power of \$30bn-40bn

says (outsiders put it at about 20 "But I attribute a lot of our success to what my brother and father called patient money. On my brother's tombstone should go the fact that he single handedly supported optical fibre through 18 years of losses, from its invention in 1966 to hreak-even in 1983." Now 59, Mr Houghton must face the fact that the only other family members in the company

> both doing well." he says. "But the days are clearly over when you could assume the top position by having the right last If the family nature of the firm seems open to question, one

might also query its location. The town of Corning may be in the state of New York, but it is so far from the metropolis that employees shuttle up and down by com-pany plane. Would it not make sense to move? "We'va been here since 1868,

are his son James, 31, and

nephew Carter, 24. "So far they're

Mr Houghton replies. "Yes, it's inconvenient in some ways. But the fact is we have a very tightly wired connection here between technology, manufacturing and management."

There is also, he makes plain. an element of paternalism. "If somebody's been around here a long time and they're over a certain age, we're not happy about

throwing them out on the street." keep scanning the borizon to see In the age of corporate re-engi- what could be the next big one. If neering, is this not a constraint?

"Sure," Mr Houghton says.

you ask me whether there will be during the year, producing a paramother one like fibre optics in ticularly strong second half for "We're not stupid. We have consultants in, and some of them take a very clinical view of things: if only you could blow up half of Corning, New York, you'd be in great shape. As I keep telling them, they think we work on Madison Avenue and live in Con-

necticut. We don't. Wa live and work here." Meanwhile, the process of invention continues. Our major my tenure, probably not. These things take a long time to

The question still arises of what the next big one might be. Mr Houghton has a surprising

"I think you'd have to say solar energy. If there's going to be a major breakthrough in storing it and making it viable, I hope Corning will be responsible. But task," Mr Houghton says, "is to I'm not betting the lab on it."

Hoogovens returns to profit and resumes dividend

By Ronald van de Krol

Hoogovens, tha Dutch steel and aluminium group, is to resume dividend payments to sharehold-ers after surging back into profit in 1994, putting an end to three years of losses.

The company's results swung sharply into the black last year with a net profit of FI 354m (\$228m) from a net loss of Fl 234m, in a strong acceleration of the recovery that began to emerge in mid-1993. The marked improvement is the result of a nearly 10 per cent increase in sales to Fl 7.93bn, higher selling prices and a better mix of steel and aluminium products.

Cost-cutting, restructuring, low taxes and a drop in financial charges also contributed to the turnround. Raw material prices remained stable, while staff costs fell, reflecting job cuts as well as divestments.

With economic recovery in its main markets, Europe and the US, forecast to continue, Hoogovens predicted a "snbstantial" increase in 1995 profit before extraordinary items. It also said it would pay a Fl 2 dividend for 1994, marking the first payont since 1990, when Hoogovens paid

The 1994 figures were better than forecast by analysts. Shares jumped F13 in early trade but gave up gains to closa at

Operating profit in the steel division, which prodoced a record 5.9m tonnes of crude steel last year, soured to F1 438m from F1 5m. Steel prices rose by an average of 8 per cent last year. The aluminium sector also saw

an improvement, with operating losses narrowing to Fl 35m from Fl 265m. Aluminium sales, measured by deliveries by tonnage, rose by 26 per cent, taking deliveries back to the levels of 1991.

In both steel and aluminium. the improvement gathered pace each of the group's main two sectors. Aluminium moved back into profit at mid-year, although it remained in the red for the year as a whole.

Hoogovens said its restructuring in tha early 1990s had enhanced its competitiveness. However, the strong appreciation of the guilder has put these gains under pressure, forcing the company to continue its policy of cost-cutting.

US lawsuit foils Govett's plan to buy Duff & Phelps

By Norma Cohen, estments Correspondent

Govett & Co. the UK-based fund manager said yesterday it had abandoned its agreement to buy Chicago-based fund manager Duff & Phelps, after a lawsuit prompted a sharp drop in Govett's share price.

The suit, was filed in California in February by Govett American Endeavour Fund, a venture capital investment trust formerly managed by Govett. It alleged fraud, racketeering and breach of fiduciary duty by Govett and its

chairman Mr Arthur Trueger. The abandonment is a significant blow for Govett which would have seen its assets under management almost quadruple while broadening its access to the US institutional market.

The acquisition would have exchanged shares in Duff &

Phelps for new convertible pref-

some cash payment. Before the deal was announced, Govett shares were trading at 360p, and subsequently fell to 310p. After details of the lawsuit became public, shares fell to 270p. Govett has said it believes the

suit is without merit and it intends to file a countersuit for damages. However, Mr Francis Jeffries, chairman and chief executive of Duff & Phelps, said the the outcome of any legal proceedings was too uncertain. "We have no way of assessing what the potential liability will be, but we don't want our shareholders to assume the liability." Mr Jeffries conceded it was unusual for a planned acquisition to be derailed by a lawsuit. "It's one thing to be sued in your own

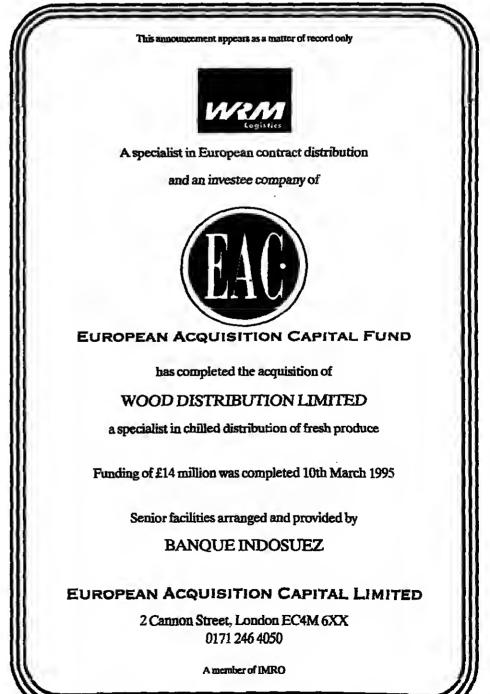
Phelos may now consider offers man." from other buyers.

ital companies in exchange for GAEF's investment in them. Moreover, the suit alleged, the investment trust's assets were used to buy stakes in at least one venture capital company which both Govett and Mr Trueger personally controlled which was experiencing difficulties.

Mr Ian Whitehead, finance director at Govett, said the company had decided against enriching its offer because the effect on its own shares would have been too dilutive.

However, analysts said that proceeding with the acquisition would have been difficult for Govett, even if it had enriched its offer. One analyst in the fund management industry said: "It's business. It's another thing to a matter of corporate integrity buy a lawsuit," he said. Duff & and the integrity of the chaira matter of corporate integrity

Meanwhile, both companies The lawsuit alleged that Govett say they intend to cooperate in erence shares of Govett as well as and Mr Trueger arranged for other business arrangements.



INTERNATIONAL COMPANIES AND FINANCE

Swedbank aims for May share sale

By Hugh Carnegy in Stockholm

Swedbank, the Nordic region's higgest bank hy asset value. yesterday said it would carry out its planned listing on the Stockholm stock exchange through a SKr3bn share sale in

The move will cement Swedhank's hid to become one of the region's leading commercial banks since being formed in 1992, during the loan loss crists that almost crippled the Swedish hanking system, through the merger of savings hanks. With total assets of as chief executive.

SKr464bn (\$64.5bn), Swedbank has emerged with a strong market position, offering a full range of banking services. It posted its first full-year profit, of SKr4.06hn, last year after wrestling down its credit

"Listing of Swedbank's stock and the broadening of share ownership represent a very important step in the bank's development," said Mr Göran Collert, who is to move from his post of chief executive to cbairman in an associated change. His deputy, Mr Rein-hold Getjer, will succeed him

The share issue will he carried out through the sale of stock held by the Savings Banks Foundations, which control Swedbank. They have agreed to sell stock worth Skr3hn, although the number of shares to be sold has not been announced. Market analysts estimate the whole bank

is worth close to SKrl4bn. Mr Collert said the sale would leave the Foundations bolding about 40 per cent of Swedbank. Institutions would end up with 40 per cent and the public, 20 per cent. He said the recent weakness of the stock market, which has forced

planned privatisation of state-owned Nordhanken, had not deterred the share sale project - although a final decision to go ahead would depend on market conditions.

Two-thirds of the issue will be offered to the public, with priority going to 250,000 Swedhank savers. The balance will go to Swedisb and foreign institutions. The proceeds will be used to pay down dehts held hy the Foundations. This will, in turn, allow them to unwind a postion on the SKr5.5hn in state guarantees put up to overcome the banking crisis.

cast further price risea. Big increases in newsprint prices

The group has strengthened

sales help lift BMW by 35% By Kevin Done,

Improved

Motor Industry Correspondent

controlled by South Africa's RMW, the German carmaker. Anglo American Corporation, returned flat earnings before lifted net profit by 35 per cent last year, to DM697m extraordinary items last year. (3500.5m) from DM516m a year at \$241m compared with \$240m in 1993. Earnings per sbare earlier, on the back of higher sales in most world markets. before extraordinary items Group net profit included a contribution of DM12m from were \$1.07 in hoth years. Mr Hank Slack, president, described the result as "satis-Rover Group, the UK carfactory". Performance of the maker taken over early last

ffect from mid-March. BMW, the only German carmaker to have remained in profit during 1993. Is paying sbareholders a bonus of DM1.5 a share for 1994 on top of an unchanged dividend of DM12.S a sbare.

year and consolidated with

Separate financial figures for Rover bave not been released officially, but it is understood it increased operating profit before interest and tax last year to about £100m (\$62.6m) from £56m in 1993.

The BMW group achieved turnover of DM42.1bn last year, taking in Rover from mid-March. On the same basis, vehicle

production was 942,400 and deliveries to customers, 931,880. The workforce, meanwhile, totalled 109,500. Excluding Rover. BMW group turnover rose 10.1 per

cent to DM31.95bn from DM29bn. BMW car production. witbont Rover, rose 7.5 per cent to \$73,100 from 532,960, while sales climbed 7.4 per cent to 573,950 from 534.397. BMW raised its sales in

western Europe last year by 6 per cent to 390,000, while those to the US were up 8 per cent to 84,500, and 13 per cent in Japan, to 29,000. Group operating profits almost doubled last year,

nelped by an 11 per cent rise in sales worldwide to 475,500 the highest level since 1989 from 429,800 in 1993. Sales of Rover and Land Rover models outside the UK increased 22 per cent to 219,300. Rover still depended for 54

per cent of its total sales volume on the UK market, where sales rose by only 3 per cent to 256,200. Rover production rose 16 per cent to 478,600 last

holds Minorco profit flat been restructured, resulting in an extraordinary charge of \$69m. A further \$25m extraordinary loss came from a writedown of expenditure at the

Slide in gold and metals

indefinitely. Mr Julian Ogilvie Thompson, chairman, said Minorco would benefit in 1995 from a restructuring of its gold interests and from recent developments in its base metals and paper and packaging segments. The acquisition last October of AMCI by US Terra offshoot would make "a major contribu-

tion" to the agribusiness earn-

Hudson Bay copper smelter in

Canada. where a modernisa-

tion project has been deferred

from gold and base metals, par-Minorco adopted a calendar ticularly in North America, did financial year in May following The Jerritt Canyon gold the acquisition of some assets from Anglo American. Earnoperations in Nevada bave

SPT Telecom up 22% pre-tax

Bank.

items for the 18 months to December 31 were \$347m, or \$1.54 a ahare, against a restated \$252m, or \$1.12, for the 12 months to June 30 1993. The group plans to pay dividends totalling 95 cents for the 18 months, compared with 57 cents in the previous year.

Pro forma sales in 1994 rose to \$3.4bn from \$2.8bn. Operating earnings surged 73 per cent to \$291m, and earnings before tax were up 30 per cent at \$414m.

Net cash from operating activities increased to \$443m from \$282m. In spite of a steep increase in capital expenditure to \$525m from \$298m, and acquisition and investment financial position at year-end remained strong.

Price rises drive recovery at MoDo

By Christopher Brown-Humes in Stockholm

Big increases in pulp and fine paper prices have driven a recovery at MoDo, one of Sweden's leading pulp and paper groups, to profits of SKr1.82bn (\$252.8m) last year from a SKr449m loss in 1993.

The turnround also reflected higher deliveries in a year of strong recovery in the Nordic pulp and paper sector, after depression earlier in the

The strength of the upturn was apparent in the fourth quarter, when MoDo posted profits of SKr81Sm, after a loss of SKr22m a year earlier. The group's figures have improved in each successive quarter for the past two years.

Full-year sales climbed to SKr20.25bn from SKr17.08hn, and operating profits were up to SKr2.68bn from SKr687m. Financial costs fell to SKr859m from SKrl.14bn because of lower interest rates and reduced deht. About SKr1.8bn of the SKr2.2hn bottom-line improvement was attributed to price rises, and the rest to

As Europe's third biggest producer of market pulp and its fifth biggest producer of fine papers, the company benefited from the doubling of pulp prices and a 70 per cent rise in fine paper prices in 1994. Its French unit, however.

remained in the red, with a SKr50m deficit, largely because of continued losses at its Alizay fine paper plant. How-ever, MoDo said Alizay had reached profit hy the year-end. Mr Bengt Pettersson, chief executive, said strong demand would keep MoDo mills at full

were introduced at the start of the year, and pulp prices have continued to climb.

its balance sheet through dis-posals, including the sale of its packaging unit in a deal worth SKr1.2bn. It stresses that its targeted deht/equity ratio of 0.5, against 0.69 at present, would not be threatened by a SKr4bn investment pro-

MoDo restored its dividend with a payout of SKrl1 a share on earnings per share of SKr30.

Allianz pulls out of Austrian bank contest

By Andrew Fisher in Frankfurt

Allianz of Germany, the largest insurance concern in Europe, said yesterday it was pulling out of the hidding contest for Creditanstalt Bankverein of Vienna. However, it retains a strong interest in Austria. where it is number three in the

insurance market. The decision to withdraw follows this week's announcement that a consortium beaded by Generali, the Italian insurance company, had made an offer worth some Sch9bn (S918m) for 48 per cent of the voting shares of Creditanstalt Bankverein. Credit Suisse withdrew its bid last autumn.

Allianz never made a formal offer and, anyway, would not have taken a majority stake.

Its involvement would have been a joint effort with Bayer-ische Hypo-Bank - like Alli-anz, based in Munich - and

Austrian partners. The Generali-led consortium includes Erste Oesterrelchische Sparkasse Bank (First Austrian Savings Bank): Germany's Commerzbank; Banca Commerciale Italiano; and several Austrian industrial companies. The consortium has said it will also bid for the government's remaining 22 per cent of voting shares, but sell these quickly through a private

The state's 70 per cent of voting sbares represents 49 per cent of the total share capital. The finance ministry hopes to make a decision on the hid

ING confirms interest in Budapest Bank

By Virginia Marsh

ING Bank, part of the Dutch financial services group, yesterday confirmed its interest in acquiring Budapest Bank, fol-lowing Credit Suisse's announcement on Monday it was pulling out of negotiations over the state-owned bank.

ING officials said the bank was awaiting a formal request from the Hungarian authorities to re-open talks on its hid for Budapest Bank, one of the country's hig four commercial hanks and only the second large Hungarian bank to come up for privatisation.

Hungary named Credit Suisse, the main hanking arm of CS Holdings, as preferred hidder in December, after a closed

tender. ING and Allied Irish Banks also submitted bids. ING denied the group's purchase of Barings, the collapsed UK merchant bank, would prevent it from pursuing expan-

sion elsewhere. It said there

was "no reason at all" to sup-

pose negotiations for Budanest Bank would be affected by the Barings acquisition, and that it had the resources and manage ment to acquire both. However, it said that since the December tender, ING bank had been looking at other possible acquisitions in Hungary, where it already had

iaries: Budapest Bank was just 'one of the options". Hungarian officials said they expected ING would be approached shortly.

banking and insurance subsid-

By Vincent Boland in Prague

By Kenneth Gooding,

Mining Correspondent

Minorco, the Luxembourg

quoted natural resources group

various husiness sections var-

ied. Industrial minerals. agri-

business and paper and pack-aging did well, but earnings

not match those of 1993.

SPT Telecom, the Czech state telephone operator, yesterday reported a 22.8 per ceut rise in pre-tax profits for 1994, and signed a \$150m syndicated loan

of international banks. Preliminary pre-tax profits rose to Kc7.39bn (\$282.2m) from Kc6.03bn, on revenues up at Rc22.71bn from Kc18.36bn. Costs rose to Kc15.31hn from Kc12.33hn.

SPT plans an increase in spending on modernisation this year, to Kc18bn from Kc11.2bn last year. Some of the money will come from the proceeds of the syndicated loan, a three-year multi-currency facility arranged by Credit Lyonnais Bank Praha and Fuji

Lead underwriters of a 21member consortium are Bank of America and WestDeutsche Landesbank. SPT had originally sought a \$100m loan, but a flood of offers from internafional lenders convinced it to increase the facility by \$50m.

The tender to select SPT's

strategic foreign partner, which will take a 27 per cent stake later this year, is continuing in spite of a court order two weeks ago that it should he halted. The court

Czech telecoms company, that it bad unfairly been excluded from the tender.

The government is appealing against the court order, which means it cannot be enforced

Five offers for the stake have been received from international telecoms groups. The bidders are TeleDanmark, Stet. International, and three consortia - Telfar, comprising Bell Atlantic and France Telecom; CeTel, involving Deutsche Telekom and Ameritech; and TelSource, composed of PTT Telecom Netherlands and

Daf Trucks solid in first full year

Daf Trucks, the Dutch commercial vehicle maker, posted a net profit of Fi 122.7m (\$78.6m) on turnover of Fl 2.27bn in 1994, its first full year of operation since it was rescued from financial collapse by the Dutch and Flemish gov

ernments in early 1993. In the 10 months from March to December 1993, it made a net profit of F1 10.5m on turn-

ernments own close to 50 per cent of the equity of the group, which was formed to salvage the Dutch and Belgian heavy truck operations of the former Daf group, which collapsed in early 1993 after running up accumulated net losses of

FI 879m over three years. The Daf Trucks workforce had increased to 4,225 at the end of 1994, from 3,445 a year earlier. Of these, 2,943 were employed in the Netherlands

Truck sales rose to 21,154 last year from 10,004 in the final 10 months of 1993, while heavy truck production at the group's main Eindhoven plant surged to 11,239 from

Daf said it expected its heavy truck production to increase by around 50 per cent this year. It forecast a 13 per cent improvement in the west European heavy truck market, to about 152,000 units.

Correspondents:

1994 Year-End Report - Skandia Insurance Company Ltd.

Considerably Improved Insurance Result

- The insurance result for non-life insurance and reinsurance amounted to MSEK 1,002 (533), and the management operating result for life and unit linked assurance totalled MSEK 716 (548). Operations in Sweden and Norway, NIG Skandia in the U.K., and the international life assurance operations showed good profits.
- The operating result before realized changes in value and adjustments to the lower of cost or market value - improved to MSEK 802 (-913). The operating result after realized changes in value and adjustments to the lower of cost or market value amounted to MSEK -187 (2,010).
- Net asset value at year-end totalled MSEK 15,816 (15,781), or SEK 155 per share.
- SkandiaBanken, which opened for business in October, had 16,200 accounts registered by year-end.
- Premium income rose to MSEK 52, 248 (43,503) mainly due to the growth of unit linked assurance.
- Changes in value were negative due to the trend in the financial markets. amounting to MSEK -2,758 (2,879). The bond portfolio accounted for most of the changes in value, MSEK -2,701 (1,675). The share portfolio decreased in value by MSEK -74 (1,724).
- The Board of Directors proposes a shareholder dividend of MSEK 205 (154), or SEK 2 (2) per share.
- The Annual General Meeting will be held on April 25 and will consider a proposal for a new voting-rights limitation rule. It entails, among other things, that the current limitation to 5 per cent of the shares represented at meetings be increased to 10 per cent.

SUMMARY OF RESULTS	1994 MSEK	1993 MSEK
Premium income, gross	52,248	43,503
 Non-life insurance and reinsurance 	23,857	24,703
 Life and unit inked assurance 	28,391	18,800
Insurance result, non-life insurance and reinsurance	1,002	533
Management operating result, life assurance	716	548
Operating result	-187	2.010
Management operating result	-1,715	4,069
Total assets (SEK billion)	162.9	136.5
Net asset value	15.815	15.781
Solvency margin, %	82	84

Excluding the operations conducted by Swedish Skandia Life.

Skandia is an international corporation that offers insurance and financial ervices in the Nordic home market and where around the world. The group vides a wide range of direct insurance, reinsurance and savings products for individuals and busine Operations are conducted in 23 countries in Europe, Asia, North America and South America, Skandia, based in Stockho has about 10,500 employees. The Skandia share is fisted on the Stockholm Copenhagen and London stock

A complete Annual Report will be published in around April 5 and can be ordered from Skandia, Market Communications, S-103 50 Stockholm, tel. +45-8-788 10 00.

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Amsterdam: ABN **AMROBANK** Meesplerson NV,International Nederlanden Bank NV. RABO BANK.Frankfurt; Berliner Bank: BHF Bank Camnierzbank Deutsche Bank Dresdner Bank: Hong Kang: Nanyang Cammercial Bank Ltd.. Hongkang and Shanghai Bonking Carp.: London: Bank af Scatland: Barclays Bank: Llayds Bank: Midlond Bank: National Westminster Bonk: Royal Bonk of Scotland; Stondard Chartered Milan: Banca Commerciale Italiano Credito Italiano: New York: American Express Bank: Bank of New York: Bankers Trust: Chase Manhatton Bank: Citibonk: European Americon Bonk: Republic National Bank of New York: Paris: Banque Francoise du Cammerce Exterieur; Bonque Indosuez: Banque Notionale de Paris: Credit. Cammerciale de France: Credit Lyonnois: Credil du Nord: Sociele Generale San Francisco: Bonk of America N.T. & S.A. Bonk of Colifornio. Citibank: First Interstate Bonk of Colifornio. Tokya: Bonk of Jokyo; Dailchi Kangya Bank: Mitsubishi Bonk; Sakuro Bonk Ltd.; Sanwo Bonk;

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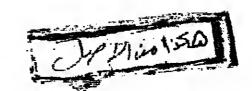
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Swiss Bonk Coron.: Union







To bring together those who have money to invest with those who seek to raise it is a fundamental of international investment banking.

To do so in primary and secondary markets with skill and strength, in a way and at a price that leaves both sides well satisfied, is a fundamental of BZW.

INVESTORS

NVESTMENT BANKING. FROM A TO



INTERNATIONAL COMPANIES AND FINANCE

Senate panel deals blow to Viacom disposal plan

By Tony Jackson in New York and George Graham in Washington

Attempts by Viacom, the US media group, to sell its cable TV interests suffered a further setback on Wednesday when the Senate finance committee voted to block tax breaks for owners of communications companies from minority

groups. Viacom's controversial \$2.3bn sale of its cable business to Tele-Communications Inc. one of the biggest US cable operators, has been structured through a holding company headed by a black husinessman, Mr Frank Washington, to gain tax deferrals estimated at

Senate committee.

the Federal Communications Commission's minority ownership programme, with effect from January 17. The measure, which was

passed by the House of Representatives last month, now goes to the full Senate. Because of differences between the two bills, House and Senate would then have to confer to reconcile their

Viacom yesterday reiterated that the deal was conditional upon the tax breaks heing allowed. "Without the tax deferment, we won't go ahead with this transaction as structured. It wouldn't make sense financially."

However, the company said it remained committed to selling its cable interests. "We will structure a transaction which

said. "We will have talks with anyone who is interested." • The FCC has suffered

another setback to its efforts to promote minority ownership of broadcasting and telecommunications businesses.

A Federal appeals court blocked its planned auction of PCS communications licences for small businesses, because it includes financial preferences for bidders owned by women or other disadvantaged groups. Industry experts said the delay could kill the auction.

since existing cellular telephone operators and successful bidders in the 87bn communications licences which ended this week will have a head start over the smaller operators targeted by

Kredietbank advances 7.4%

By Lionel Barber in Brussels

Kredietbank, Belgium's third largest hank, yesterday reported a 7.4 per cent increase in group net profits to BFr10.49bn (\$365m) for 1994.

The results reflected a decline in financial market activities such as currency trading, which produced record income in 1993 and a 15.1 per cent increase in net profits.

A second negative factor concerns backdated tax assessments on the valuation of shareholdings denominated in foreign currencies. The value domestic market and sustained

of these shares has haen affected by the weakening of currencies against the Belgian

The Belgian authorities are no longer considering losses from these investments deductihle against tax, Although Kredietbank is disputing this, it has decided to make a BFr2.5bn provision covering

the possible tax liability Kredletbank stressed that profits in 1994 were drawn chiefly from core businesses. in spite of "persistently slack demand for credit in the

pressure on the interest

The 1994 results reflected tight control on costs and a sharp decline in depreciation, write-downs and provisions to BFr6.35bn against BFr12.31bn in 1993. Kredietbank's profits before

tax were up 9.5 per cent at BFr16.8bn. The directors will propose a net dividend of BFr215 at the agm next month. This compares with a final dividend of BFr200 in 1993, along with a one-off supplementary interim dividend of BFr90 a

US Shoe rejects Luxottica bid

in New York

US Shoe, the loss making US retailer facing a \$1.1m hid from Luxottica, the Italian spectacle frame maker, yesterday rejected the offer and said it had agreed to sell its footwear business to Nine West, another US shoe retailer, for \$560m in cash plus stock war-

It said it believed US Shoe's businesses were worth more than Luxottica had offered and over bid succeeded.

it had better options available for maximising shareholder

ings record has put it under pressure to improve its financial performance. Earlier this month it received an unsolicited cash

offer worth \$24 a share from Luxottica, The Italian company said it wanted US Shoe for its LensCrafters eyewear business and would probably sell the other operations if the take-

The LensCrafters husiness is the healthiest part of US Shoe; in the year to January, it US Shoe's lacklustre earnincreased operating profits to

\$14.5m from \$11.2m. Last December US Shoe agreed to sell its footwear business to Nine West for \$600m in casb plus stock warrants, but in February Nine West pulled out saying the price was too high. Yesterday's deal comprises \$560m in cash plus warrants to buy 3.7m Nine West shares at \$35.50 a share at any time in the next 814 years.

Liquidation of Dutch unit sought by bondholders

By Antonia Sharpe

A group of Barings bondholders yesterday asked a Dutch judge to liquidate the Dutch subsidiary of the collapsed merchant bank in a bid to get their money back.

Their action was contested by another group of Barings bondholders who believe that the biquidation of Barings BV would reduce their chances of being repaid.

The bondholdera who brought the action invested in a \$150m floating-rate note which Barings BV issued last

The FRN was declared in default last Friday by Euroclear, the international clearand settlement house, and the holders have demanded

The group reaisting tha action are bolders of a \$150m capital note which Barings BV issued in 1986.

The note has a "flip" clause which switches liabilities for payment of creditors to Bar-ings plc if Barings BV goes into liquidation. The FRN holders want the

flip clause to be enacted so that they become the only creditors of Barings BV. However, the capital note holders want to remain

creditors of the Dutch arm because it is more likely to repay its liabilities than its Although Barings BV was

not bought by ING, the Dutch bank has indicated that in 1999 it will repay a \$150m loan which Barings BV made to Baring Securities Interna-tional and hetween 5 per cent and 20 per cent of a \$93.67m loan made to Baring Brothers.

However, ING is only likely to repay £7.5m of a £100m loan which Barings plc made to Baring Brothers.

Ohservers said the two groups bad gone to court because the ING takeover of Barings had left bondholders out in the cold.

They noted that investors who had participated in a £100m perpetual subordinated note which Barings plc issued last year were unlikely to see

London 'controlled Leeson trading'

Tha trading activities of Mr Nick Leeson were "managed and controlled" by Barings staff in London, according to two key Singapore-based Barings executives.

Mr Simon Jones and Mr James Bax, both formerly directors of Baring Futures (Singapore), the subsidiary whose losses led to Barings' collapse, said that the bank's London-based financial products division supervisad Mr Leeson's Singapore trading activities. Both deny Mr Leeson reported to either of them on the trades he carried out on Simex, the Singapore futures

In letters to The Straits Times, the Singapore newspaper, the lawyers of both execu-tives said: "Mr Leeson's trading activities on Simex were managed and controlled by the financial products group of Barings in London." The letters said Mr Leeson reported on these activities "to them". not to Mr Bax or Mr Jones.

The statements, in response to an article published in the newspaper on Wednesday, represents the first public comments by either executive since Barings' collapse last month. It puts the spotlight on the role played by Mr Ron Baker as head of the financial products group at Barings in London, Shortly before Barings collapsed, Mr Baker was named to its investment banking management committee. but he has no role in the senior management structure introduced by Internationale Neder-

landen Groep, Barings' new

activities"

were also directors of Barings Securities (Singapore).

not been appointed directors of the successor company to BFS. ING said it would "try to make use of his [Mr Bax's] great knowledge of the securities business". Mr Jones' role is apparently "still to be worked out", his lawyer said vester-

Mr Bax and Mr Jones are represented by different lawvers but their statements are largely the same.

Mr Wee Pan Lee, Mr Jones' lawyer, said that his client did supervise Mr Leeson "regarding minor administrative matters". However, "Mr Leeson neither reported to, nor Jones regarding his trading

Mr Jones' lawyer also states that Mr Leeson reported "daily" on his Simex trading activities to the financial products group "and at no time to Simon Jones". Mr Bax's lawyer states: "It was also to them that Mr Leeson reported to on these activities, not to Mr

Before Barings' collapse, Mr Bax held the post of managing director of BFS while Mr Jones was also a director. Mr Leeson

Mr Jones and Mr Bax bave

Mr Jones and Mr Bax have been questioned by investigators in Singapore and bave submitted statements to the high court giving details of their roles at BFS.

According to one investiga-tor, Mr Bax's role at BFS "is best described as thaoretical responsibility without influ-

BFS. Mr Bax and Mr Jones ence". He was asked to keep "an eye" on the subsidiary but played a limited role in day-to-day affairs.

Details contained in an internal audit report into BFS last year appear to indicate Mr Jones played a more significant role than Mr Bax. The report contains one "management response" statement written by him and two co-

written with Mr Leeson. In the ona written hy Mr Jones he states: "As discussed with Internal Audit, current and compliance issues do not warrant a full-time officer for

In another, written with Mr Leeson, it was agreed that Mr Leeson would "with immediate effect...cease to perform the functions itemised" which included "daily review and sign off of Simex reconcilia-

 Simex said Baring Futures International, tha new com-pany registered this week by ING, must reapply for membership on the exchange and arrange to huy a seat, Reuter

reports.
Swiss hanking authorities said they had lifted all restrictions on operations of Banque Baring Brothers (Suisse), Barings' Geneva-based subsidiary

Simex relied on bank's good standing

By Laurie Morse in Boca Raton, Florida

Mrs Elizabeth Sam, chairman of the Singapore International Monetary Exchange, said yesterday Simex officials had not questioned the explanation of Baring Futures (Singapore) about the futures positions Mr Nick Leeson was accumulating hecause it relied on the UK bank's good name and credit

Mrs Sam repeated Simex's explanation of why the exchange did not intervene and force Baring to reduce its market exposure, in spite of growing alarm on the part of exchange officials at the size of

the positions. Although Baring's positions in Simex Nikkel 225 futures are believed to have accounted for as much as 15 per cent of the Simex market, Mrs Sam said market manipulation was not a real concern for the exchange,

the Ecuadorian electricity sector.

Mr. Mauricio Pinto Mancheno

c/o Electric Sector Coordinating Unit

because the Japanese stock index futures contract is reconciled in cash, rather than shares. Although Simex imposes limits on position size, she said the exchange regularly granted Baring requests for higher limits.

We have learned not to what they do. accept explanations at face value

REPUBLIC OF ECUADOR CONSEJO NACIONAL DE MODERNIZACION DEL ESTADO CONAM

PROCUREMENT OF CONSULTING SERVICES FOR THE REFORM

OF THE ELECTRICITY SECTOR IN ECUADOR

THE ECUADORIAN GOVERNMENT, in accordance with the ongoing process of modernization of the

electricity sector through a reform program financed by the World Bank, seeks expressions of interest and summaries of qualification from consortia made up by legal, engineering, accounting and economic

consulting firms. Such consortia must demonstrate experience in the design and establishment of a

legal and regulatory framework that promotes private sector participation, including long term

THE REFORM PROGRAM will be implemented by the National Council for the Modernization of the

State (CONAM) in coordination with the Ministry of Energy and Mines and the Ecuadorian Institute of

Electrification (INECEL) and will involve private sector participation in the operation of and investment in

INTERESTED CONSORTIA ARE REQUESTED to send, through a sole representative, any available

information demonstrating private sector experience in the legal, technical, financial and regulatory aspects of the electricity sector. Please send a statement of qualification in English or Spanish,

including relevant client references, to the address below prior to April 28, 1995.

National Council for the Modernization of the State (CONAM) Juan León Mera 130, 6th Floor. Quito - Ecuador Fax (5932 509 437)

Mrs Sam sald Simex accepted oral and written explanations from Baring and never independently contacted the Osaka Securities Exchange to verify Baring's explanation that its Singapore exposure was an arbitrage position offset by positions beld there.

to a large extent is a question of judgment," sbe said. "I have to say in this respect that our people believed Barings."

She said: "Baring Securities was very big in the Nikkei market. and derivatives trading is a complementary activity. Futures positions are always relative to the firm and "We bave learned not to

accept explanations at face value notwithstanding tha firm," Mrs Sam said. "If this - Elizabeth Sam, incident has highlighted Simex chairman anything, it is the importance of exchanges being able to communicate with one another.

Mrs Sam said beginning on January 11, Simex drew Baring's attention to the size of the Singapore futures position and made it clear that there were related financial obligations. She said throughout these discussions.

"Whether one checks or not held initially with Baring officials in Singapore, Baring said it was aware of the situation.

Similar assurances were by Mr Anthony Hawes, Barings group treasurer, who met Simex on February 8 to discussion the situation. From Simex's point situation was in order was that Baring met margin calls, in amounts of bundreds of millions of dollars, right up to Monday February 27, when the bank went into administration. Mrs Sam said: "If a company does not have good internal

controls, no amount of regulation will correct that." Simex, bowever, was drafting a new rule that would prohibit member firms from allowing beads of trading to also have trade settlement

responsibilities Mr Leeson had responsibilities.

Harrie Haller

Shinda opinio

MINORCO

results for the eighteen months to December 31, 1994

Preliminary "Minorco will benefit in 1995 from the restructuring of our gold interests and the developments in our base metals and paper and packaging segments. Efforts to improve efficiencies in all our businesses continue. Terra's latest acquisition should also make a

STANDARD TO THE PROPERTY OF THE PARTY OF THE PARTY.

Statutory Results	18 months to Dec 31	12 months to June 30
US\$ millions:	1994	1993 Restated
Sales	4,636	2,776
Operating earnings	358	140
Earnings before taxados	S40	340
Earnings before extraordinary item	347	252
Earnings after extraordinary items	245	340
US\$ per share:		
Earnings before extraordinary items	1.54	1.12
Dividends declared	0.95	0.57

Proforma Results for Comparative	Purpos	es
	Calend	ar Year
US\$ millions:	1994	Research
Sales	3,435	2,805
Operating earnings	291	169
Earnings before taxaoon	414	318
Earnings before extraordinary stems	241	246
Net cash provided by operating activities	443	283
Capital expenditure	S2S	293
Acquisitions and investments	537	485
USS per share:		
Earnings before extraordinary irems	1.07	1.07

- Earnings from operations increased by 73%-strong contributions from industrial
- US\$414 million.
- Earnings before extraordinary items
- US gold interests restructured and new
- Acquisition of 50% interest in Lisheen zinc project in Ireland.
- Following year-end, interest in Collabuasi, a major Chilean copper project, increased to 50%

The proposed final dividend for the eighteen months to December 31, 1994 of 38US cents is, subject to sharehol appeaval, psyable on May 12, 1995 to shareholden of record on April 13, 1995. The report for the eighteen month period olders on or about April 8, 1995. Copies may be obtained from the UK transfer agent Barchys Registrars, Bourne House, 34 Beckenham Read, Beckenham, Kent, BR3 +TU, England.

FINAL DIVIDEND

MINORCO

MINORCO SOCIETE ANONYME, LUXEMBOURG, MARCH 16, 1995

major contribution to our agribusiness earnings.39

	Calenda	Year
US\$ millions:	1994	1943 Reserve
Sales	3,435	2,805
Operating earnings	2 9 1	169
Earnings before taxaoon	414	318
Earnings before extraordinary items	241	246
Net cash provided by operating activitie	443	283
Capital expenditure	S2S	293
Acquisitions and investments	537	485
USS per share:		
Earnings before extraordinary items	1.07	1.07

Vienna **Exclusive Inner City Location**

- - 1st District, Annagasse 5

Prestigious, historically significant building Ca. 5.500m2 useable space Mostly unoccupied Office or residental use

Details for your purchase offer can be obtained by applying inviting to BIG Bauträgerges.m.b.H. as sole agent, A-1030 Vienna, Neulinggasse 29, Fax (43 1) 716 04 ext. 50.

BIG BUNGES IMMOBILIEN GESELLSCHAFT M.B.H.



SOVEREIGN (FOREX) LIMITED 24 HOUR MARGIN TRADING FACILITY COMPETITIVE PRICES

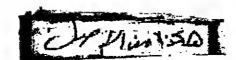
BUSINESS RATES

ACT NOW LAURIE The 1995 Rates Revaluation will affect your tax liability

DIAMOND CAPITAL LTD
Registered Office: 30 Broad Street,
Monrovin, Republic of Liberia REMINDER A special meeting of shareholders approved a resolution to diasolve the corporation. Articles of Dissolution were filed with the Minister of Foreign Affairs of the

Republic of Liberia on September 1, 1989. As from December, 4, 1989; surrender of certificates representing Class C shares, with compon No. 2 and ring attached, USD 161.88 per share will be paid with respect to such shares. wing attached, USD 200 per share, representing a return of capital, will be paid

plus the amount set forth above. Upon surrender of certificates representing Class A shares, with coupon No. 1 and following attached, foot previously surrendered, USD 600 per share, representing a return of capital, will be paid plus the amount set forth above. Credit European, 52 route d'Esch, Luxembourg acts as paying agent.



INTERNATIONAL COMPANIES AND FINANCE

NEWS DIGEST

KKR quietly takes its leave of an era of greed

By Richard Tomkins in New York

The barbarians at the gate must be wishing they had never entered it. At any rate, they are quietly going out

In what is being seen as an ignominious codicil to tha "greed" era of the 1980s, Kohlberg Kravis Roberts, the Wall Street investment firm, is giving away its stake in RJR Nabisco, the US tobacco and food group it bought at the climax of the leveraged buy-out boom. It is handing over its last remaining 111.6m shares in

RJR Nabisco, equivalent to 8 per cent of the equity, to Borden, the ailing US food company it bought in last December. Borden intends to sell the sharas to help finance a restructuring

KKR's \$25bn purchase of RJR Nabisco in 1989 was not only the biggest takeover in corporate history. It also came to be seen as the defining moment of a decade of excess. in part characterised by the very large prices companies were paying to acquire one

KKR took over RJR Nabisco at the end of a bitter six-week battla in which it outbid s group controlled by RJR's own chairman with an offer financed almost entirely by junk debt. The battle spawned a best-selling book called Bar-

barians at the Gate. KKR's initial equity stake in RJR Nabisco was just \$1.35bn, but it had to inject another \$1.7bn to refinance some highyielding debt when the junk bond market foundered in 1990.

By Ronald van de Krol

into south-east Asia.

Ahold, the Dutch-based food

retailer with operations in

Europe and the US, reported a

19.4 per cent rise in 1994 profit

yesterday and announced

long-term ambitions to expand

The company, whose annual turnover is split roughly

evenly between European and

rose to F1 409.5m (\$260.8m)

from F1343.1m, on a 7 per cent

Mr Cees van der Hoeven,

president, attributed the

increase to higher operating

For the first time, Ahold's

activities in the Czech Repub-lic reached break-even in the

fourth quarter, although once

again there was a slight operat-

ing loss in the country for the

For 1995, he predicted that

both operating profit and turn-

rise in turnover to Fl 29.0bn.

operations, said net, profit

in Zaandam

Ahold posts 19.4%

rise to FI 409.5m

to 39.9 per cent by selling 100m new shares in RJR Nabisco in an initial public offering.

On average, KKR paid a price of \$5.62 a share for RJR Nabsico's equity. Yesterday, the shares were down \$% at \$5%,or \$5.625; so, leaving aside any value attributable to the Borden investment, KKR has so far shown a gross return on its investment of approxi-

One reason for the poor performance of the inves the high price paid for RJR Nabisco in the first place. But KKR was also unlucky: it could not have foreseen the price war in the US cigarette market triggered by Marlboro Friday in 1993, nor the unprecedented barrage of regulatory and legal threats that have battered the industry since.

Last year KKR gave the first indication that it intended to withdraw from RJR Nabisco when it traded \$1.9bn worth of its RJR Nabisco shares to acquire Borden, reducing its stake to 17.5 per cent.
Once the takeover was com-

lete, it started handing over RJR Nabisco shares to its new subsidiary so that Borden could sell them to raise funds. Late on Wednesday evening,

Mr Henry Kravis and Mr George Roberts, KKR's founding partners, said: "We have decided that our investors would be better served by consolidating our equity position in Borden, a company which wa wholly own, rather than a small minority investment in R.IR."

In its way, it was the end of an era.

over would rise in local cur-

rency terms in the Nether-

lands, Europe and the US, producing higher after-tax profit for the group.

The 1994 dividend is to be

raised to FI 0.77 plus \$0.30 from

12.7 per cent rise in earnings

per share to Fl 3.46, reflecting

the company's aim to raise its

The company said it had set

up a department to investigate

opportunities in Indonesia

Thailand, Malaysia, the Philip-

Ahold said expansion in Asia

could be achieved by either

acquisitions or joint ventures.

of Ahold's executiva board.

said south-east Asia could

account for about 10 per cent

However, he stressed that it

of group turnover in 10 years.

could take some tima before

Ahold concluded its first deal

Mr Edward Moerk, member

pines, China and India.

The increase outstrips the

FI 0.62 plus \$0.23.

pay-out ratio.

Linde increases payout after 38% gain in earnings Linde, the German

Share price (D-Mark) 900 1994

engineering, gases and refrigeration company, vesterday announced a 8 per cent rise in earnings to DM246m (\$177m) for 1994 and gave further details of its rights issue which will raise DM840m.

writes Andrew Fisher in Frankfurt. It is also increasing its dividend to DM15 a share from DM14, restoring the cut made after 1993 earnings fell sharply. Pre-tax profits last year rose by 28 per cent to DM471m

The company benefited from last year's recovery in the German economy, with turnover up by 11 per cent to almost DM7.99bn. New order inflow increased by 10 per cent to DMSbn. Linde said it benefited from improved DMBon. Linde said it beneates from impacts capacity utilisation — especially in materials handling equipment — as well as cost-cutting measures throughout the company. Linde, one of whose leading products is fork-

lift trucks, said its previously announced rights issue would be priced at DM800 a share to raise DM840m; this is a big discount on yesterday's closing price of DM855.

The subscription period will be from March 23 to Amil 5 with shares of condense on a condense.

23 to April 5, with shares offered on a one-forfive basis.

Securum stages sharp swing back to profit

Securum, tha Swedish state-owned company set up to liquidate Nordbanken's bad loans, made SKr5.51bn (\$786m) profit in 1994, a dramatic swing from losses of SKr16.1bn in 1993, writes Christopher Brown-Humes in Stock-

The main contribution was a SKr5.45bn capital gain, arising from the sale of Securum's stake in Nobel Industries to the Dutch group. Akzo. The move created Akzo Nobel, one of the world's leading speciality chemicals groups

The turnround also shows the progress the group has made in converting its loan portfolio into assets, and then restructuring them to maximise returns. Assets totalling SKr7.2bn were liquidated

last year, and cash flow from operations was SKr1.04bn, compared with a negative SKr878m a year earlier. Securum, set up with SKr24hn in equity in early 1993, hopes to return at least SKr10bn to

state coffers by the time its disposal programme is completed early next century. Cost-cutting and capital

gains lift Celsius

Celsius, the Swedish defence group, lifted income after financial items to SKr904m (\$125.7m) in 1994, compared with SKr726m a year earlier, writes Christopher Brown-

The result included SKr169m in capital gains, arising mainly from the sale of the group's stake in Safe Partners, an offshore company.

The company said its cost-cutting programme had helped to lift operating profits to SKr788m from SKr353m. But bond market turbulence cut returns on its money market portfolio, lowering financial income to SKr116m from SKr373m.

Sales rose by SKr500m to SKr13.7bn. although on a like-for-like basis they were down 4 per cent. The order intake increased to SKr12.5bn from SKr11.6bn.

The group warned its 1995 figures would not be as good, due to uncertainties over Swedish defence and export orders and poor profitability within the Celsius Tech System unit. The dividend meanwhile is being lifted to SKr7 a share from SKr6.50.

Du Pont helps Seagram post 30% advance

Seagram, the international drinks, chemicals and energy group, posted a 30 per cent gain in fourth-quarter net profit to US\$191m, or 52 cents a common share, from \$147m, or 40 cents, a year earlier, writes Robert Gibbens in Montreal.

Earnings for the year ended January 31 1995 almost doubled to \$736m, or \$1.98, from \$379m, or \$1.02 in the previous year. Fourth-quarter revenues from the drinks business rose 12 per cent to \$2.23bn from

\$1.99bn, and increased 6 per cent to \$6.4bn from \$60n for the year. In both periods, Seagram's net profit included dividends and equity in unremitted earnings of Du Pont, the US chemicals and

Seagram said the gains in the year were attributable to a record performance by Du Pont and strong wine and spirits operations

energy group in which it bolds a 24 per cent

The full-year results included special

charges equivalent to 37 cents a share. Mr Edgar Bronfman Jr, president, said the company's international premium brands continued to grow and improve market share in

splits of strong competition.

The Tropicana juice business also improved overall with s 7 per cent sales gain to \$1.4bm, but profits slipped because of aggressive price competition in some products.

Rhône-Poulenc offer for remaining ADS capital

Rhône-Poulenc, the French chemicals and pharmaceuticals group, is launching an offer to buy its remaining 70,200 participating American depositary shares, non-voting instruments with preferential dividend rights, writes

ments with preserential dividend rights, writes
John Ridding in Paris. The offer, at \$17.50 a
share, will expire on April 13.
It represents the final step in buying up the
shares, which were issued in 1989 as a way of
raising capital without affecting the voting control of the French government.

An offer in 1993, which coincided with the partial privatisation of the French group, saw the exchange of 98.5 per cent of this category of shares. Rhône-Poulenc was fully privatised in the restriction of the statement of the same fully privatised in the same fully privatised. in the autumn of 1993.

PWA plans common stock consolidation

PWA, parent of Canadian Airlines International, is offering to exchange 20 of its common shares for one new share. The aim is to reduce the total issued and bring market value to C\$9-C\$10 a share, against the current 50 cents, writes Robert Gibbens.Investors could

also buy the stock on margin.

The consolidation would reduce ootstanding shares to 50m from 1bn - a figure which resulted from the company's crisis during the recession and its refinancing programme. Canadian Airlines expects to return to profitability this year.

PWA also plans to change its name to Canadian Airlines Corp. It is 25 per cent held by American Airlines

Hellenic Bottling advances 30.2%

Hellenic Bottling Company, the Coca-Cola franchise-holder for Greece, Northern Ireland and Bulgaria, reported a 30.2 per cent rise in pre-tax profits for 1994 to Dr25.9bn (\$110.2m), writes Kerin Hope in Athens.

HBC said consolidated sales last year increased by 20 per cent to Dr140bn. Profits from Bulgaria and Northern Ireland were up by 45 per cent to Dr4.5hn, helped by improved efficiency at the company's five bot-

tling plants in Bulgaria, operated as joint ventures with local partners, and an expanding distribution network there. HBC, which also produces fruit juices and

bottled water in Greece, is expanding into heer production in Bulgaria through a joint venture with Athenian Breweries, the Heineken affiliate in Greece. The joint venture, Brewinvest, has acquired

Zagorska Brewery, which will make Heineken and other beer brands in Bulgaria, to be marketed through HBC's distribution network.

HBC is controlled by the Cypriot-owned Leventis Group, which also holds Coca-Cola franchises for Nigeria and parts of Romania and

Cummins and Wartsila in diesel venture

Cummins Engine of the US and Wartsila Diesel International of Finland have formed a venture to produce two new diesel and natural gas engines at plants in Europe, Renter reports from Columbus, Ohio. The venture, named Cummins Wartsila Engine, will begin production of one of the engines in May.

Mr Iain Barrowman, formerly director of manufacturing for Cummins in the UK, was named president of Cummins Wartsila.

The company will design and manufacture two new heavy-doty, high-speed diesel and natural gas engines aimed at the marine and auxiliary power, mining, rail, oil and gas

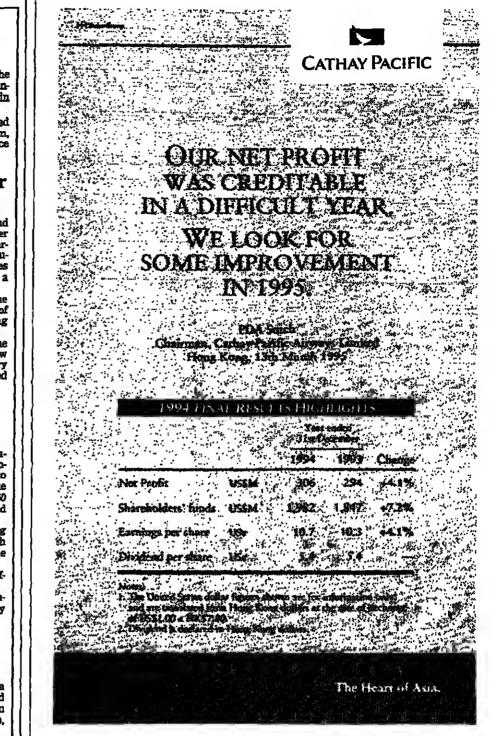
The first new engine will range from 3,000hp to 6,000hp and will be produced in Mulhouse, France. The other, ranging from 750hp to 3,600hp, is scheduled for production in early 1997 at Daventry in the UK.

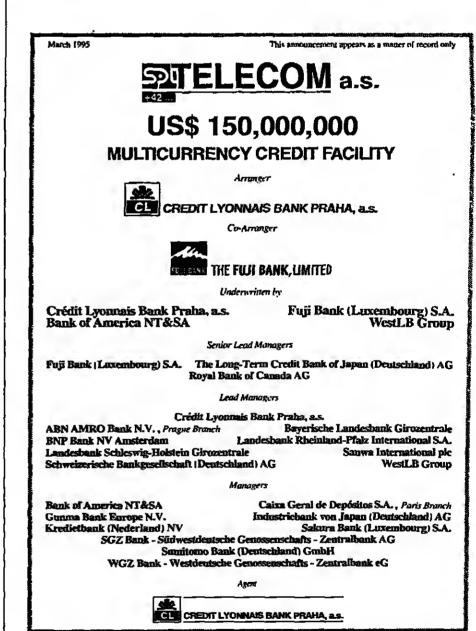
New bond indices from **BZW** Australia

BZW Australia, part of the UK-based investment banking group, yesterday launched a new family of bond indices, writes Nikki Tait in Sydney. BZW claims the new indices will provide the first intra-day markers for the country's fixed interest markets, capable of

being replicated by fund managers, Existing bond market indices tend to based on a comprehensive range of securities, but include illiquid stocks, and are re-priced fairly

The new indices will exclude corporate and asset-backed bonds as well as those with a duration of less than one year, and will be re-priced nina times each day. The new indices will be displayed via the Bloomberg system.





Varig back in the black after sharp rise in traffic unprofitable routes, including

Varig, Latin America'a largest airline, yesterday announced a swing back to profit thanks to cost savings and a sharp rise in traffic in its home Brazilian market.

Varig, which a year ago temporarily suspended lease and debt payments because of mounting financial problems, announced profits after tax of R\$170m (\$188.9m) in the year to December 31, against a loss of R\$273m for the previous year.The company said it was benefiting from greater effi-

ciencies and growing demand.
Varig's workforce has been
cut to 21,100, a 15 per cent fall from a year ago and down 25 per cent since 1991. The com-pany has also suspended ser-vices on 13 loss-making or

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11 international services. Its fleet has fallen from 85 to 75 aircraft. During the year, General Electric of the US took over the leases on six Boeing 767-200s as part of a refinancing which saw GE and McDon-nell Douglas gain seats on the

Varig board. Demand on Varig's domestic routes grew sharply during the second half of the year follow-ing the successful launch of Brazil's new Real currency. The number of passenger kilo-metres transported, which had fallen almost 10 per cent in the first half of the year, recovered 7.4 per cent in the second half.

International traffic, which was flat in the first half, grew 8.6 per cent in the second. International cargo traffic increased 15.8 per cent.



Deelkraal is pleased to announce that normal underground operations at the mine were resumed on Tuesday eight, 14 March. This follows the establishmeor, by all interested parties, of a forum knowo as the Deelkraal Interim Peace Forum. Through this forum it has been possible to testore peace and stability at the mine property following the violence that erupted last week. Rigorous codeavours are continuing to

ensure that this situation is sustained.

Seveo days' underground production was lost and the full financial implications have still to be established.

Johannesburg



17 March 1995

Notice to the holders of Warrants to subscribe for shares of common stock of

JGC CORPORATION

U.S.\$100,000,000 4 ½ per cent. Guaranteed Bonds 1995 (**U.S.\$ Bonds 1995") and ECU70,000,000 5 ½ per cent. Guaranteed Bonds 1995 ("ECU Bonds 1995")

Pursuant to Clause 4 of each of the Instruments, both dated 8th August, 1991, under which the above described Warrants were issued and Condition 11 of each of the Terms and Conditions of the Warrants, we hereby notify as follows:

1. The Board of Directors of JGC Corporation authorised, on 7th March, 1995, the Implementation of a stock split at the rate of 0.1 new share for each one share hald as of 31st March, 1995, Tokyo Time (the record date).
2. Accordingly, the subscription prices of the above mentioned Warrants will be adjusted pursuant to Clause 3 of each of the Instruments and Condition 7 of each of the Terms and Conditions of

to Clause 3 of each of the Instruments and Condition 7 of each of the Terms and Conditions of the Warrants, effective as of 1st April, 1995, Tokyo Time as follows:

Warrants issued in conjunction with U.S.S Bonds 1995: Subscription Price before adjustment: Yen 1,461.50 Subscription Price after adjustment: Yen 1,328.60 Warrants Issued In conjunction with ECU Bonds 1986: Subscription Price before adjustment: Yen 1,461.50 Subscription Price after adjustment: Yen 1,328.60

JGC CORPURATION

2-1, Ohtemachi 2-chome, Chiyoda-ku, Tokyo, Japan By: THE FUJI BANK AND TRUST COMPANY as Disbursement Agent (for U.S.\$ Bonds 1985 with Warrants) and THE SUMITOMO BANK, LIMITED as Principal Paying Agent (for ECU Bonds 1986 with Warrants)

17th March, 1995

Sonya MacGregor +44 171 873 4935



Investment Bank

Italian Lira 350 Billion Floating Rate Notes due December 1999 Notice to the Holders

Notice is hereby given that the Notes will carry an interest rate of 10, 1975 A per annum for the newod 15.03.1995 to 15.06.1995.

 ITL 133,368 per ITL 5,000,000 • ITL 1,333,681 per ITL 50,000,000

Luxembourg, March 17, 1995

The board of Alcatel Alsthom acts to maintain management continuity of the group

The full board of directors of Alcatel Alsthom met on March 13, 1995 under the chairmanship of Ambroise Roux, honorary chairman, who was unanimously elected to chair the meeting. The board reviewed the situation created by the judge's order putting Pierre Suard, chairman and CEO, under legal restraint.

The board noted that this measure has the effect of temporarily preventing Mr Suard from exercising his normal functions as chairman and CEO. The board is deeply concerned about the severity of this action for the chairman of one of the world's largest industrial corporations.

The board takes the opportunity to publicly renew its confidence and support for Mr Suard.

The board has ensured that despite the current circumstances, and while these continue, the management of

the parent company and of the group will be efficiently undertaken. The organizational structure (the executive management committee and the restricted management committee) put in place

by Mr Suard will be chaired during his

absence by François de Lange de Meux, chief operating officer, who has received the appropriate delegation of authority. The board has ensured that the management of the principal subsidiaries, Pierre Bilger for GEC Alsthom and Jozef Cornu for Alcatel, have the authority to act permanently in the interests

and personnel Lastly, the board has all the necessary arrangements to reconvene if the circumstances require. It will in any case meet on April 5, 1995 to finalize the accounts for 1994.

of the shareholders, customers

COMPAGNIE FINANCIÈRE OTTOMANE GROUP Results for the year ended 31 December 1994 Total Group Result 1993 FRF 000 278,110 148,821 96,684 1993 FRF -000 21,632 40,760 23,138 17,907 101,482 206,249 204,004 327.535 21.357 28.357 181,122 (190,505) Profit after tax astributable t 119,500 97,962 Distributions pro-69,167 64.167 PRF 28,795 PRF 50.333 FRF 10.00 FRF 23.00 Earthogs per share Cunital Resources FRF 1.142.183 PRF 1.113.388 ended subject to segreval at the AGM on 17 May are maintelined at FRF Dividend of FRF 12-50 per share - Coopen 122 (1993: FRF 12-50 per share) Founders' Shares to FRF 15, 432 per share - Coopen 66 (1993: FRF 15,432 per share) 62,500 62,500,000 3.333.353 3.335

COSE,

During the year under review, the Turkish Lins fell from TL 2.458 to TL 7.145 against the French Franc. In the group accesses, the profit constitution from Campail,

Bank-rat was reduced by the impact of a not translation has no shareholders' hands in Turkey thron duest larger than to the provious year.

Corolder Turkey, the fall in values too the bond markets fed to least on the Investment perfolious. The net interest change shows under justices in the fall in the cast of camping freely an exchange serve, implemented in the second half of the year, as a partial hedge of the capital investments.

Turkey, Tuly change was substantially officed by Excelent currency gains as shown. These aways have since been accommon been accommon.

States Annual Georgial Meeting: 11.30 ans Wednesday 17 May 1995 at the Hotel La Royal, 12 Bookward Royal, Lamenhourg, Report and Accounts 1994 are available at Compagnity Filometics Operator SA, 23 Avenue do in Partic-News, 1-227 Lamenbourg, at Occasion Planning Services, King William Hours, 2A Enoughourg, Landon ECEM 1AA and at Compagnity Financing Operators SA, 7 and Mayurbour, 75009 Paris, France, 173,95

COMPAGNIE FINANCIÈRE OTTOMANE SA Annual General Meeting 1995

NOTICE OF MEETING

The annual general meeting for the year 1995 of Compagnic Financière Oriomane SA will be held on Wednesday 17 May 1995 at 11.30 am at the Hotel Le Royal, 12 boulevard Royal, Luxembourg to transact the

- 1. To receive the report and adopt the audited accounts for the year ended 31 December 1994.
- 2. To approve the proposed distributions. 3. To discharge the directors and auditors.

23 Avenue de la Porte-Neuve

L-2227 LUXEMBOURG

- 4. To re-elect Monsieur Hubert de Saint-Amand and Mr A K Stewart-
- Roberts as directors. 5. To appoint Monsieur Hervé Pinet as a director.
- 6. To reappoint Deloitte & Touche as auditors and authorise the directors to determine their remuneration.

Monsieur J Winandy, Secrétaire Général Compagnie Financière Ouomane SA

To attend the general meeting, holders of bearer shares must deposit their shares at least 19 days before the date fixed for the meeting: in Luxembourg at the head office of the company at the above address. in London, at Ottoman Financial Services, King William House,

2A Eastcheap, London EC3M 1AA in France, where shares are deposited with SICOVAM, shareholders must advise the blocking of their shares through their deposit agent either to Banque Paribas, 3 rae d'Antin, 75962 Paris or to Compagnie Financière

mane, 7 rne Meyerbeer, 75009 Paris. The report and the accounts which will be presented to the general meeting are available to the shareholders of the head office in I membours and at the offices in London and Paris.

17 March 1995

NOTICE TO THE HOLDERS OF WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF

MEITEC CORPORATION

issued in conjunction with U.S.\$110.000.000

4½ per cent. Guaranteed Notes due 1995 Pursuant to Clause 4 of the Instrument dated 5th August, 1991 under which the above described Warrants were issued and Condition Hof the Terms and Conditions of the Warrants, we hereby notify as follows:

 Meitee Corporation has made an issuance of Yen 8,000,000,000
 3.2% Convertible Bonds due 2004 in Japan on 15th March, 1995
 (Japan time) at the initial conversion price of Yen 1.394 per share which is less than the current market price of the share of Yen 1.679,00 calculated as provided in the Instrument. 2. As a result of such issuance, the Subscription Price in respect of the

above mentioned Warrants has been adjusted pursuant to Clause 3 of the Instrument and Condition 7 of the Terms and Conditions of the Warrants, effective as of 16th March. 1995 (Japan time), as follows:

Subscription Price before adjustment: Yen 4.143.30 Subscription Price after adjustment: Yen 4.042.90 METTEC CORPORATION

By: The Mitsubishi Bank, Limited as Principal Paying Agent

Residential Property Securities No.3 PLC

Class Al Notes Mortgage Backed Floating Rate Notes due 2025

emount automating on 30th Murch 1999 will therefore be 645,140 per Note.



S YEARS OF HISTORICAL PRICES FOR

33 YEARS OF HISTORICAL PRICES FOR CASH, FUTURES, OPTIONS AND INDEX MARKETS.
50 YEARS OF PRINAMENTAL INFORMATION COVER MOCKING COMMEDIES.
51 Similar to the information found in the CRB Commodity Year Book, the bible' of the Information to make the CRB Commodity Year Book, the bible' of the Information to make the CRB Commodity Year Book, the bible' of the Information to the CRB Commodity Year Book, the bible' of the Information of the CRB Commodity Information (Amplication of the CRB Committee of the CRB Information of the CRB CRB Information of the CRB Information of

directly into your dambase. INFORMATION: Biguiter Valcil House, 78 Fiert Speet, Loudon BCAY 1HY Tel: +44 (6) 71 842 4683

Polysindo International

Finance B.V. U.S. \$25,000,000 Guaranteed Floating Rate Notes due 1997 the Interest Period 16th

Notes will carry an Inverest Rate of 9.00 per cent. per annum, with an Interest Amount of U.S. \$230.00 per U.S. \$10,000 denomination. avable on lock June, 1995. Level on the Luxenthurg South Ex

RPS

195,000,000

Notice is hereby given that there will be a principal repayment of £7,689 per £22,829 Note parasers to Clauser (5h) of the Notes on the Interest payment data 29th March 1995. The principal





£75,000,000 HMC FINANCING 3 PLC Class A Mortgage Backed Floating Rate

For the Interest Period from March 15, 1995 to June 15, 1995 the Note Rate has been determined at 7.1% per annum. The interest payable on the relevant interest payment date, June 15, 1995 will be 8635.42 per 235,506.49 nominal amount. By: The Chase Marchattae Basis, N.A. Landou, Agent Back

March 17, 1995

To Advertise Your Legal Natices Please carded Tina McGorman Tel: +44 171 873 4842 Fax: +44 171 573 3064

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE VALUE \$ 2.50 COMMON STOCK

J.P. MORGAN AND CO INCORPORATED

A cush distribution of £ 0.75 per depositary share will be payable on or after the 21st April 1995 upon presentation of coupon No. 100 at:

Morgan Guaranty Trust Company of New York 35 Avenue Des Arts 1040 Brussels

Banque Internationale Luxembourg 2 Boulevard Royal L-2953. Luxembourg

At the designated rate less applicable taxes. This distribution is in respect of the regular quarterly dividend payable on the common shares P.V. \$ 2.50 J.P. Morgan & Co. Incorporated on 14 April

INTERNATIONAL COMPANIES AND FINANCE Ayala Land profits advance 62%

Evergreen optimistic despite fall in earnings

By Laura Tyson in Taipel

Evergreen Marine, the Taiwanese chipping line, yesterday said decreasing capacity led to a fall in its turnover and profit in 1994, but that the outlook for 1995 was brighter.

Evergreen, the world's second biggest container shipping company, reported a decline in net profit to T\$2.57bn (US\$98m) in 1994 from

stock dividend and 60 cents cash dividend for 1994. Evergreen Marine sold 10 container vessels to Uniglory Marine, en affiliate of the

capacity. Evergreen Marine now has 24 ships and the Evergreen group about 75 ships.

Evergreen Marine has said it will take delivery in 1996 of five container vessels, each with a capacity of 4,900 TEUs (twenty-foot equivalent unit)

China for the first time since 1949. It said the plan was too

ter of transportation and communications, said this week that ships would be able to sail from Taiwan's interna-tional ports of Keelung, Taichung, Kaohsiung, Suao and Hnailen. The plan etipulates that only foreign-registered ships may sail from Taiwan to China. It also includes foreignregistered ships owned by Tai-

wanese. tories, ench as Hong Kong.

production

maker said.

On Wednesday, Andalucia's regional government said it had taken control of Suzuki'a 83.7 per cent stake. A government spokeswoman said tha temporary move was designed to protect the public interest and that of Santana. She said the government was negotiating with several groups to ensure a future for the

company. Suzuki, in which General Motors of the US has a 3.2 per cent stake, will continue to supply technical assistance and components to Santana for five years at least.

Stockholders' equity rose by 21 per cent in 1994 to 11.6bn pesos on the back of the company's improved perfor-

Ayala Land's B shares closed

at 30 pesos yesterday, slightly

up from the previous day.

By Edward Luce In Manile

Avala Land, the Philippines' largest property developer. boosted net profits in 1994 to 2.16bn pesos (\$83m), an increase of 62 per cent over the previous year's earnings.
Benefiting from e buoyant

property market, Ayala Land, which is a 60 per cent owned subsidiary of Ayala Corp, the Philippines' largest holding company, increased its consolidated revenues last year by 96 per cent to 8bn pesos.

T32.81bn a year earlier. Turn-over dropped to T329.2bn from T\$31.5bn in 1993. The board proposed a TS1.0

Evergreen group, last year, reducing its own operation

Evergreen was centions ebont e government plan to allow direct shipping links

Vague. Mr Lin Chao-shinan, minis-

Direct links have been banned since 1949, when the ruling Nationalist party lost the civil war in China and fled to Taiwan. Chrrently, trade, investment and other contacts are routed through third terri-

Suzuki Motor backs Santana

Suzuki Motor said it would continue production at Sautana Motor's plant in spite of giving up its stake in the Spanish carmaker, Reuter reports from Tokyo, "Produc-tion at Santana is important to our European sales," a spokesman for Japan's top mini-car

The real estate company, which owns swathes of Makati and Ortigas, Manila's two business districts, sold 3.6bn pesos of land last year, making up 45 per cent of revenues. Rentals from newly opened shopping malls, including the Ayala Center in Makati, grew by 28 per cent to 1.3bn pesos.

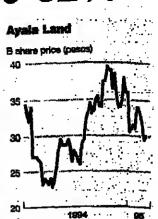
Residential and condominium sales generated 1.1bn

In spite of coming second to Metro Pacific earlier this year in the bidding for the country's largest land sale at Fort Bonifacio, a 214 hectare site adjacent to Makati, Ayala Land expects earnings to continue rising in 1995 to comfortably exceed the 6.5 per cent growth

economy. The company's assets were recently evaluated at 24bn

in gross national product

forecast for the Philippines



Miners fall on Irian Jaya's riches

Freeport chooses RTZ as partner in Indonesia, writes Kenneth Gooding

igh in the rugged mountains of Indones-ia's Irian Jaya prov-ince, in some of the most inhospitable terrain on earth, hiss one of the world's great mineral deposits. Its 13m reserves of copper

are the world's fourth largest, and the reserves of gold, at 40m troy ounces, are second only to those of the phenomenal Sukhoi Log in Siberia.

These riches, and a surrounding prospective area the size of Switzerland that is as yet virtually unexplored, are ultimately owned by Freeport McMoRan, the US resources

As the potential of Freeport's Indonesian operations gradually became clear, envious rival mining groups started to knock at the door, asking for some of the action. That clamour will now cease.
Freeport has invited RTZ
Corporation, the world's
biggest mining company, into

the Indonesian project on terms that effectively shut out every other group.

RTZ is to pay between \$450m and \$875m for a substantial interest in Freeport-McMoRan Copper & Gold, the subsidiary that owns 86 per cent of the

Indonesian mine. The UK group also gains the right to invest up to \$850m in exploration and development projects on the surrounding Freeport's decision to let RTZ in has more to do with its need for cash than anything else. However, apart from a

strong balance sheet, RTZ also brings with it vast experience in large open-pit copper ore bodies such as Bingham Canyon in Utah, Palabora in South Africa and Escondida in Chile, that might well be useful se Freeport's mine grows into one of the largest man-made holes in the

The US company's urgent requirement for cash stems from its remarkable good fortune to find not one but two messive natural resource

Freeport has been in Indonesia for 20 years, the first foreign company to invest in the country under President Suharto's new government and long before the merger with McMoRan. It was attracted by the Ertsberg mountain which had a huge outcrop of copper. It took extraordinary vision, millions of dollars and an incredible feat of angineering to build the Ertsberg mine, which aventually went into



James Moffett: revised plan after restructuring go-ahead

production in 1972. To reach the copper Freeport built a 104km road from the swamp lands on the totally undeveloped southern Irlan coast up into the glacier capped mountains. It built a town, Tembagapura, some discovery in the North Sea or 2,500 metres above sea level to provide homes for 7,400 mine

employees.

A mill was constructed and the longest single-spen aerial tramway in the world was built to connect it with the

A 115km slurry pipe was laid

around Grasberg over which Freeport has exclusive mineral "This deposit [Grasberg] is an omen of what may be in the rest of the mountainside there It's like the first big [oil]

the first big discovery in the Gulf of Mexico." It was in the Gulf of Mexico, on the doorstep of Freeport's headquarters in New Orleans, that the group made its other important find - Main Pase,

Freeport's decision to let RTZ in has more to do with its need for cash than anything else

to carry copper from the mill to the port that the company carved out of the jungle below and from where copper in concentrate (an intermediate material) is shipped to smelters, mainly in Japan.

Then Ertsberg began to reach the end of its reserves, Freeport searched for more minerals and discovered them 3km away in the Grasberg mountain, where the 13m tonnes of copper and 40m ounces of gold

have been located to date. "It has been suggested that we have the equivalent of two major oil companies in one," saye Mr James Moffett, Freeport McMoRan chairman, never one to understate his case. "Not only do we have a substantial outflow of copper and gold, but we can sustain that from the present reserves

for 23 years from 1996." Mr Moffett, known in the industry by his nickname, Jim-Bob, suggests there is much more copper and gold to be found in the 6.5m acres the first sulphur deposit discovered in 25 years and the largest in North America. Freeport's jubilation about the success of its exploration efforts was muted by the

in debt from acquisitions made to replace cash flow from two 80-year-old sulphur mines that went out of production at the end of the 1990s. Freeport cold assets and raised more money in all sorts of innovative ways to cover the

cost of developing lts discoveries. At Graeberg, as more and more reserves were located, expansion after expansion was approved - the present scheme will cost \$700m and take annuel output from the present level of \$20,000 tonnes of copper to 500,000 tonnes, and from 800,000 ounces of gold to

1.5m ounces. About 18 months ago, following the exit of Freeport's president Mr Milt Ward (who became chairman of Cyprus

Amax, another big US copper producer) Mr Moffett approached RTZ, suggesting the UK group take a stake in the exploration area in Indonesia. Mr Bob Wilson, RTZ chief executive, said he would prefer also to have an interest in the production operations. Mr Moffett came back with a revised plan in November which will enable RTZ to share in any future expansion of the existing mine - after the US authorities had given the go-ahead for a restructuring of Freeport McMoRan.

The RTZ deal, announced on March 8, will involve the UK group providing at least \$450m cash and will provide Freeport McMoRan with the necessary funds to complate the refinancing of its liabilities and remove the last obstacle to completion of

restructuring.
And, as Mr Moffett points out, "RTZ'e funding of future expansion et the Indonesian operations will free substantial cash flow to be generated by the present expansion

Mr Wilson says that the most likely outcome of the complex arrangements is that RTZ will pay \$525m for 12.2 per cent of Freeport Copper & Gold. RTZ will have representatives on the Freeport Copper board and on an operating committee, and the two companies will set up a joint Indonesian exploration company. RTZ will have 40 per cent of the company but fund the first

None Trans

150 Y. 150 April 1

827 .

If the Graebarg mina is further expanded, RTZ will have a 40 per cent share and provide all the funds required, up to \$750m.

realisation that it would cost at least 51bn to develop the discoveries to the point where they would generate cash flow r Wilson has frequently emphasised that RTZ's main and profits. It was already deep strategic objective is to acquire interests in low-cost, long-life world class mineral deposits.

In copper, it owns Bingham Canyon and has a 30 per cent stake in Escondida, the world's largest copper mine. While RTZ prefers to own and operate its aseets, the deal with Freeport is in line with the

group's strategy. He saye: "RTZ's strategic objective is to have a stake in the best minerals resources in the world - and this is one of them. This is an important deal for RTZ. It might turn out to be one of the best we have ever done. We will now speed up exploration and hope to find the extra reserves we will need to expand production at Grasberg again."

Optus doubt over float date

NetWest Securities to advise

However, Mr Bob Mansfield.

on the floatation.

discouraged.

By Nikki Talt

Optus, the Australian stock market launch, but the telecommunications group which was set up in widely mooted and not which was set up in competition to the federal government-owned Telecom in 1992, said yesterday that it did not view the flotation of a portion of its equity on the Australian stock market as

feasible in mid-1995. The company is currently owned by a mixture of institutional and corporete investors, including Cable & Wireless of the UK, and last year eppointed County

certainly not practical" for a stock market launch. He did not rule out the possibility of coming to the market later in the year, and emphasised that the company would definitely list its shares at some stage.
Optus indicated that one of the considerations bearing on the float timing would be the status of its Optus Vision joint venture.

This is an ambitious project to lay a national cable network across Australia, which could then be used both for the Optus chief executive, said delivery of pay TV and local yesterday that "mid-1995 is telephony services.

At the moment, however, Optus Vision is at the fledgling stage. The question is, is it smarter to have Optus Vision a bit more in existence before the float" – and that, Mr Mansfield said, is one of the questions the board is grappling with.

Murdoch to launch Asian satellite radio service

Murdoch's Asian satellite radio service - described as comput-er-produced, "middle of the road" music with no egos and no news - will begin broadcasting on March 30, Renter

which is 64 per cent owned by Mr Murdoch's News Corp, will start with a Mandarin Chinese service over north Asia and an English service over south Asia and the Middle East. It will in effect be wholesale

Star Redio, Mr Rupert stations can rebroadcast around their own format, and will initially drew revenue

from advertising.

The decision not to include news follows problems with the TV station last year. Star TV axed BBC World Service Television from its broadcasts over north Asia because, as Mr Murdoch eventually admitted, they offended China. Star TV this year is adding less sensitive business news to its

Star Radio will use spare capacity on Asiasat not used

NOTICE TO THE HOLDERS OF A WARRANTS AND B WARRANTS ORIGINATING FROM MEDIOBANCA INTERNATIONAL 1991-1996 BONDS

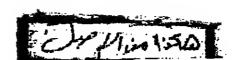
The Board of Oirectors of Banca di Roma has convened an ordinary shareholders General Meeting for the 28th April 1995 as a first convening, and, if necessary, for the 29th April 1995 as a second convening to approve, among other nems, the 1994 Balance Sheet. Consequently, in accordance with article 3 (C) of terms and conditions of the A warrants and with article 3 (C) of terms and conditions of the S warrants governing "Banca di Homa (Iormerly Banco di Santo Spirito) warrants request to exercise said warranta may not be presented during the period between the 24th Merch 1995 and tha day after the date on which that meeting takes place, or, it applicable, the day following the payment of any dividends, the distribution of which may have been resolved by that Meeting.

The Chelman Pallegrino Capaldo

BANCA DI ROMA Registered Office in Rome, Via Marco Minghetti. 17 Paid up Capital Lire 1.875 billion - Reserves Lire 8,813 billion



reports from Hong Kong.
The station, a sister of pan-Asian broedcaster Star TV music programming that radio BANCA DI ROMA WITH BANCA DI ROMA (formerly Banco di Santo Spirito) WARRANTS.



COMPANY NEWS: UK

US acquisition disappointed with fall in profits to \$106m

Reckitt & Colman lower

By Roderick Oram

Reckitt & Colman, announced a drop in pre-tax profits for 1994 from £256.9m to £160.2m after exceptional items.

It eked out a slight increase in sales and profits from its household product, toiletries and over-the counter drugs last year and warned yesterday that conditions would be equally tough this year. It pinned its hopes on deriv-ing the first benefits form I are

ing the first benefits from L&F Household, the US household product group it bought from Eastman Kodak at the end of last year for £1bn. L&F's profits slipped from \$119m last year to \$106m (£65.4m). The

integration will take time, as will the restructuring of its continental Europe operations. Emerging markets, particularly Brazil, South Africa and several countries in south east Asia brought the fastest growth, while Europe and North America languished.

Group operating profits before exceptional reorganisa-tion costs ware £308.4m (£305.5m). Within that, housebold products and toiletries profits were £198m with underlying growth of 3 per cent. Sales were up 1 per cent at £1.43bn. The group is intensify. ing product innovation and speedier roll-outs of products across markets. Pharmaceuti£220m enjoyed underlying

growth of 8 per cent.
This year will see further development of key brands and new markets particularly in emerging markets where Dettol, for example, is a fast grow-

Food profits were up 6 per cent at £45m on sales of £365m, up 2 per cent. The upturn came in US operations which the group will retain despite the UK food sale. The US operation The group proposed a final div-idend of 11.8p (11.1p). With a bonus from the rights issue, aharebolders will receive a

cal operating profits were total of 18.75p (17.55p). Rarn-£53m, showing an underlying decline of 12 per cent. Sales at (43.95p) including exceptionals and 44.97p (42.63p) fully diluted without them.

Sir Michael Colman, whose

name means mustard, is to step down as chairman of Reckitt & Colman, ending his family's seven-generation, 182year connection with the con-

"It is the end of an epoch both for the business and the family", he said yesterday as he introduced his auccessor: Mr Alan Dalby, a Glaswegian-born, North American-trained veteran of the pharmaceutical industry who takes over in

FKI makes \$64.4m acquisition company of Crosby Group and Harris and FKI said it would launch a restructure

By Tim Burt

RESULTS

FKI, the electrical engineering and components group, is expanding in North America with the \$64.4m (£40.3m) acquisition of Amdura, the US lifting equipment

Shares in FKI rose 4p to 142p yesterday after it said the deal would enhance its existing materials-handling business. which already produces chain and lifting

The move follows two months of talks with Delaware-based Amdura, the parent Waste Management, which has agreed a ing aimed at doubling margins at Crosby \$2.30 a share offer from FKI.

and Harris once the deal was completed.

The integration of Crosby - claimed to be the world's leading manufacturer of forged lifting blocks - and Harris, the larger of the world's leading manufacturer of forged lifting blocks - and Harris, the larger of the world's leading manufacturer of ments and increased prices will be used to raise margins to the 10 per cent level est producer of shears and balers for the scrap metal business, will tip the balance within FKI further towards its North American operations. Last year, the group derived more than half its £80.4m operating profits from such US subsidiaries. Investors bolding 66.5 per cent of Amdura have already accepted the offer,

and Harris once the deal was completed.

achieved elsewhere in materials handling," it added. Last year Amdura reported pre-excep-

tional operating profits of \$7.2m (£4.5m) on sales of \$144.8m (£90.5m). The group is funding the deal with debt, which is expected to push net borrowings

									 Dividends 			
		Mar (Em)	Pre-tax profit (Em)		EPS (p)		Corrent provinces (p)	Date of payment	Corresponding dividend	Total for year	Total last year	
Arthofagasta	90.6	(86.7)	38.3	(23.14)	21.2	(14.7)	3.55†	June 15	3	. 5	4.2	
British Mohair	46.5	(39.3)	3,12	(1A7)	15.47	(7.39)	7.6	May 22	7.1	. 9	8.5	
Davis Service Yr to Dec 31	322.2	(280)	25.4	(21.8)	16.98	(15.49)	5.63		5.25	8.5	7.98	
Dawsongroup	61.3	(53.3)	11.2	(7.92)	24.2	(17.3)	3.7	June 23	3	5.5	4.5	
Yr to Dec 31	74.6	(74.3)	1.31	(0.83L)	1.36	(1.3L)	ndi	-	ni	in	Off	
sender 4	2.75	(-)	0.299	(0.221.4)	0.13	(0.79L)			-	-	-	
read (Ernest) §	4.15	(3.66)	0.322	40.207	1.9	(1.8)	2.4	May 4	2.75		8	
Selk-FitYr to Feb 28	297.6	(260.1)	29.3	(25.4)	11.89	(10.39)	27	May a	23	4.4	3.8	
egal & Beneral Yr to Dec 31	201,0	(-)	164.9	(181)	22.68	(30.53)	14.75	June 1	13.6	21.7	20.1	
ionriieki Estates §Yr to Dec 31	6.76	(4.92)	1.26	(0,494L)	2.13	(2.86L)	0.5	April 27	nii	1	nii	
GC IntilYr to Dec 31	269.5	(217.1)	12.9	(11.2)	13.55	(11.98)	3.9	June 14	3.5	5.75	5.25	
echin's 6 mihs to Nov 30	19.24	(15.64)	1.03	(0.836)	76.1	(56.2)	a	A0r 24	a	4.10	32	
ecidit & CakuanYr to Dec 31	2,079	(2,096)	160.2	(256.9)	21.32	(43.95)	11.8	July 6	11.3	18.75	17.55	
anderson BramailYr to Dec 31	413.4	(223.1)	8.44	(3.77)	19.27	(60.01)	2.3	May 1	1.74	3.5	2.4	
Autar 6 mits to Dec 31	30.9	(27.6)	3.01	(2.81)	3.62	(3.41)	1.79	May 9	1.72		5.42	
pender SYr to Dec 31	68,66	(59.15)	7.1	(5.45)	14.3	(10.7)	1.75	July 14	1.633*	2.5	2.333	
oleMest . Yr to Dec 31	72	(40.3)	65.21	(36.6L)	11	(-)		- Coly 1.7				
Shory Douglas Yr to Dec 31	406.3	(361.3)	15.2	(20.9♥)	30.2	46.21	22.5	July 14	22.5	33	33	
atted BiscuitsYr to Dec 31	3.430	(3,445)	133.84	(116.7	16.7	(12.8)	9.8	July 3	9.8	15,3	15.3	
transityYr to Dec 31	9.58	(5.27	1.4	(0.365L)	5.31	(1.71.)		, -	-			
Vetherspoon (JD)	31.6	(20.6)	4.76	(2.62)	124	(8.2)	275	May 18	2.2	-	6.6	
westment Trusts	E#A	V (p)		outuble ge (Ent)	9	S (p)	Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total les year	
ZW Endowment 6 miles to Jan 31	102	(98.34)	0.0941.	(1.17L*)	0.47L	(5.85L±)	-	-	-	•	•	
&C High InchaseB mits to Dec 31	65.9	(81,6)	0.497	(0.374)	1.66	(1.25)	1.2	Apr 28	1.2	•	2.7	

Saatchi stunt fails to impress holders

By Diane Summers. Marketing Correspondent

The lights dimmed, an amplified Gregorian chant filled the room, and sharehold-ers looked around nervously. Was the ghost of former chair-man Mr Maurice Saatchi about to enter? Or was it perhaps his adversary, Mr David Herro, beaming across from Chicago to Saatchi & Saatchi's extraor-

dinary meeting in London?

A few seconds later the suspense was over as the board carrying the Saatchi & Saatchi name, positioned over the directors' heads, unfolded to reveal the holding company's

new name: Cordiant. The stunt came after a positive vote by shareholders in favour of the name change.

Not that all the beleaguered small shareholders present were wholehearted about the transformation. "It sounds like a vacuum cleaner business," observed one. Another couldn't understand why the company seemed asbamed these days to be called Saatchi & Saatchi.

Mr Charlie Scott, chief executive and acting chairman, patiently explained that the sharing of the Saatchi name by the holding company and the advertising agency subsidiary caused confusion and consternation - not least in his own bousebold. Indeed, his baby daughter had been sick all over him just as the radio was announcing that a woman called Jennifer Laing bad landed his job (she is the new chairman of the Saatchi adver-

tising subsidiary in London). Then came the vote on a series of performance-related pay packages. No problems

small shareholders had really looked forward to: the chance to make directors squirm about the ousting of Mr Mau-rice Saatchi in December. The floor seemed divided on whether it had been a good thing or a bad thing.

The strongest sentiment was that lawyers should not be allowed to gobble up millions through legal action against Maurice Saatchi.

LEX COMMENT

Legal & General

Legal & General's shares have outperformed Legal & General the market by 11 per cent this year. Yesterday they ran ahead of the market again as investors smacked their lips at the prospect that L&G might be allowed greater flexibility in transferring surplus life funds to shareholder accounts. If the Department of Trade and Industry permits the move, then the additional cash could help L&G's progressive dividend policy become even more munificent.

However, shareholders should not confuse flexibility with generosity: the DTI may sanction the transfer, but L&G is under no obligation to distribute the cash. Management concedes profitability in general insurance has peaked. Meanwhile, life assurance looks decidedly dull. The industry is still struggling to write new or profitable business.

L&G may need the money so it can participate in the life assurance industry's rationalisation. There remain 100 active life companies in the UK. Such fragmentation was sustainable when margins were fat, but a combination of recession and new disclosure regula-tions have squeezed margins. Mutual funds and overseas companies' subsidiaries look the Share price relative to the

most promising targets. The sector has poor growth prospects and L&G itself has damped down speculation about the likelihood of a dividend bonanza. The stock's estimated 15 per cent discount to "embedded value" - a way of recognising the value of policies already written - suggests the shares are fully valued.

1989 90

TeleWest considers move into mobile telecommunications

TeleWest Communications, the first cable television company to achieve a full UK stock exchange listing, almost doubled its net losses to £65.1m

(\$106.8m) last year. The deficit, however, was hi line with expectations and both revenues and subscriber numbers improved in

floated at 182p in November, moved up 4p to 176p yesterday. The company, owned by TeleCommunications Inc, the largest cable television opera-

tor in the US, and by US West, said it was considering a move into mobile telecommunications, UK cable companies are unusual in being able to offer both telephony and entertain-ment over their networks.

television subscribers in 1994. significantly higher than the 39.1 per cent recorded in 1993 and above the industry average. Churn is the ratio of total subscribers disconnected for whatever reason to the average number of subscribers.

Turnover from continuing operations amounted to £71.7m (40.3m), a 79 per cent improvement. Operating losses rose to TeleWest experienced a 47.1 \$48.9m from £28.4m. No divi-Shares in TeleWest, which per cent "churn" rate among dend will be paid.

Asprey issues trading update

Asprey, the exclusive jewellery retailer, was forced to issue a trading update yesterday in response to Wednesday's 16p share price fall to 68p, its lowest point for almost

The group announced that profits before provisions and tax for the second half of the year to March 31 were likely to be similar to the first-half's £3.01m (\$4.93m) and that stock

from the September 30 figure of £147m.

Mr Naim Attallah, chief executive, acknowledged he was worried by the decline in the shares: "It is destabilising and gives the wrong impression of the group."

Prior to the warning on Sep-

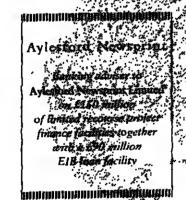
tember 9 that first-half profits would fall from £12.2m, the shares stood at 310p. That day they tumbled 110p. The interim announcement prompted a

levels had reduced slightly mere 3p fall to 141p, but the slide has continued since, Mr Attallah maintained that last week a long-term holder offered 2.4m shares for sale "in a thin market". Wednesday's

16p fall, be said, was on a

"mere" 170,000 shares sold. He said that though tha share position was psychologically bad for everybody, "no amount of pressure will force the Asprey family [which holds more than half the shares] to

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Banking adviser to Euro Disney S.C.A. on its FF22 billio# financial restruc**turing**



on USSOOV million



ca as £267 million dincial restructuring



on its 1210 million



Arranger of a US\$130 million seven year amortising term loan for Norcen Energy Resources Limited



NTL Group Limited

US\$1.75 billion three year

Banking adviser and arranger of £150 million of seven year co-ordinated bilateral credit facilities for Reuters Holdings plc

Sainsbury's

arranger, of a scries of thice and fine year



stredit facility for

Siebe plc

Arranger of a

£100 million five year revolving credit facility for Sun Banking Corporation, a wholly owned subsidiary of Sun Life Assurance Compa of Canada



S.G.WARBURG

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Issued by S.G. Warburg & Co. Ltd.

Overseas markets help United Biscuits advance in South

Consumer Industries Editor

Recent price increases for biscuits in the UK and US sig-nalled a positive shift in retailers' attitudes. United Biscuits said yesterday as it announced profits weakaned by rising costs and falling prices.

"A change in the industry's mind set" has taken place, Mr Eric Nicoli, the chairman, said. Prices of many McVitie's biscuits in the UK are already up by 5 per cent this year while the US industry has seen similar rises. Further increases could come but they are unlikely to fully compensate for rising raw material costs.

Pre-tax profits for 1994 were £133.8m (£116.7m) after restructuring costs in both

Courtaulds

Courtaulds, the chemicals and

fibres group yesterday announced the acquisition of

Mehnert & Veeck, a privately

owned German coil coatings

manufacturer by Courtaulds

Nippon Paint, its joint venture with Nippon Paint of Japan.

The acquisition will more

than double the sales of Court-aulds Nippon Paint, which is already a leading supplier in

Coll coatings - which is

used for coating metal - is an

expanding sector of the paints market, with growth in

Europe about 6 per cent a year

Courtaulds would not dis-

close bow much it had paid for

Mehnert & Veeck, which sup-

plies coil coatings, automotive

coatings and packaging coat-

ings in Europe. It said the

acquisition was debt free and

One analyst said be doubted

the joint venture would have

paid more than two-thirds of

Mehnert's turnover, which

was £27.7m in 1994. Net assets

over the last 10 years.

for cash.

were £4.7m.

German

buy for

By Motoko Rich

fell to £178.7m (£181.8m) however. For the fourth year running, the group held the divi-

dend at 15.3p.

Much of the damage was inflicted in the UK McVitie's operating profits fell 17 per cent to £68.7m on sales down 1 per cent at £611m. KP, the crisp and snacks

business, suffered a 16 per cent fall in UK profits to £29.7m on sales up 1 per cent at £400m. Biscuits were better on the Continent with operating profits up 27 per cent to £23.8m but snack profits fell 38 per cent to £7.5m because of a serious setback in Spain where prices fell

One of the few bright spots was the first signs of recovery at Keebler, the US operations

years. Pre-exceptional profits which are still in the middle of a heavy restructuring. Keebler's sales were down 6

per cent at £1.12bn out of flat group sales of £3.43bn. Keehler's volumes rose 2 per cent in a market up 1 per cent.

Keebler, which is a distant number two to Nabisco in the US cookie market and an also-ran to PepsiCo in snacks, is completely revamping its sales and distribution system. The full benefits will not flow through until 1997, however.

Asia Pacific also performed well. The main contribution came from Australia where UB's Smith's Snackfood Company has a 56 per cent market

Further expansion is under way in China, Indonesia and

High copper prices lift Antofagasta

By Kenneth Gooding, Mining Correspondent

Higher international copper prices and profits from disposals belped to boost the 1994 pre-tax profits of Antofagasta Holdings, the UK-listed Chilean mining, banking, rail and water distribution group, hy nearly 66 per cent.

Pre-tax profits increased from £23.1m to £38.3m, ou turnover of £90.6m (£86.7m).

21.2p. Mr Philip Adeane, managing director, said the 1995 outlook for metal prices, including that of copper, appeared favourable and, when coupled with an expected increase in copper output from 58,000 to 77,000 tonnes, would benefit the mining operations. The output increase would come from the Los Pelambres mine where Antofagasta increased lts shareholding last September

from 20 to 65 per cent. A decision about whether Los Pelambres should he expanded would be taken this year, Mr Adeane said.

From April onwards freight revenues would benefit from the railway company's new contract with the Zaldivar

mine Last month Antofagasta signed a 12-year freight contract with the El Abra mine. which is expected to increase the railway company's turn-over hy \$15m (£9.39m) a year from 1996. Freight turnover for 1994 was \$24m.

Also last month the group sold part of its stake in VTR Inversiones, a telecommunications company, to Southwes-

The stake cost \$1m and the sale produced a net profit of \$21.7m. Antofagasta's holding in VTR is now 14.5 per cent and future income will be taken on a dividend received

Profits from disposals in 1994 totalled £16.4m, up from £9.1m the previous year. Mr Adeane said Antofagasta was finding that it could acquire investments at reasonable prices, huild them up and then sell them at a huge profit.

In November the group sold its interest in Endesa, Chile's higgest electricity ganerator, acquired in 1993 for a net £10.3m, for a net profit of £14.5m. In September it sold its interest in Minera Rio Frio, a gold mine in Argentina, for a net profit of £1.9m.

Flemings expands **Africa**

By Norma Cohen. Investments Correspondent

Flemings, the UK-hased investment bank, yesterday announced it had agreed in principle to take a 50 per cent stake in Martin and Co. South Africa's largest stockbroker, as part of its plan to build a regional investment bank

"Our ambition is to build a full-service investment banking operation," said Mr John Manser, chief executive of Flemings. The venture will fol-low the model used by Fleming in its highly successful Jardine Fleming operation in

Hong Kong. The remaining 50 per cent of Martin and Co is owned by its partners. In addition to stockbroking and research services, Martin and Co also invests funds for private clients.

The advent of multi-racial elections in Sonth Africa last year, compled with currency deregulation and plans to deregulate the domestic stock markets bave spurred American and European institutions to set up operations there. As of November this year,

"Big Bang" deregulation will allow firms to become "dual capacity". both executing orders for clients and trading for their own account. Also, foreign owned stockhrokers will be allowed to become mambers of the domestic exchange.

Recently, investment banks SG Warburg and Smith New Court have announced purchases of stakes in South African brokers.

Meanwhile, Sonth African brokers have been eager to seek partners in the expectation that Big Bang deregulation will require them to have a larger capital base. Terms of the acquisition are

not disclosed and completion is subject to the approval of the Reserve Bank. Fleming has operated a joint venture in Sonth Africa with Martin and Co for the past four years, Mr Manser said the firm

would like to huild an investment banking presence in all of sub-Saharan Africa.

£9.1bn takeover declared unconditional after US FTC consent

Glaxo Wellcome merger talks

Directors of Glaxo and Wellcome began talks yesterday on integrating the two companies after Glaxo's £9.1bn (\$14.9bn) takeovar, the largest in UK corporate history, was declared imconditional as the US Federal Trade Commission gave its consent.

Teams led by Sir Richard Sykes, Glazo's chief executive, Mr John Robb, Wellcome's chairman and chief executive, and divisional directors, met in the UK, the US and other large markets.
Talks ranged across tha com-

panies' activities from research and development through to marketing and headquarters' functions.

The first decisions are expected early next week. They will involve the fate of senior Wellcome personoel such as Mr Rohh and Mr David Barry, director of research and devel-Glaxo described the first

phase of talks as "information gathering". Il added: "A design and decision-making phase will

follow, leading, some months from now, into a staged programme of implementation." The most obvious areas of

possible integration are: the US headquarters operations which are both in North Carolina: duplicated research and development functions in the

UK, where the two companies have four sites between them in the south-east of England: overlapping sales and markating teams in the anti-infec-

tives area. Glaxo has three antihiotics with combined sales in the six months to December 31 1994 of £429m. Wellcome's biggest drug is an antiviral, Zovirax which had sales last year of

Decisions will also have to be made on the management and resources given to research and development by Glaxo Wellcome, as the new company will be called, in migraine. Both the European Union and US competition authorities have insisted that Glaxo Wellcome should license out one migraine drug.

When in Rome . . . or Paris

Barclays has suffered a setback in France, reports Andrew Jack

arclays Bank may be B regretting one outcome of its strategy of "going in developing native" operations in France over the

past faw years.
As its French confrères
unveil their gloomy 1994 figures, Barclays has shown it is no different, revealing heavy losses, restructuring plans and the same root cause: the continuing depressed performance of its commercial property portfolio.

No separate accounts are available for Barclays in France, but the bank admitted to losses of £110m on its European operations hidden behind the global pre-tax profits of £1.86bn unveiled by Mr Martin Taylor, chief executive, in London last week.

About £100m is believed to be related simply to France - a performance which Mr Taylor admitted was unsatisfactory. It comes on top of substantial provisions over the past two years, and is not over yet. He says further restructuringrelated losses in the country are expected in the 1995 results.

While a number of its British competitors, such as National Westminster and Midland. have heen withdrawing from retail banking operations on mainland Europe, Barclays has taken an increasingly aggressive role in France, alongside similar activity in countries such as Spain and Portugal.



its profile rose substantially ing the number further, either. in the past two years as it ambitiously doubled the num-At the same time, it says that its strategy has paid off. ber of hranches to 82, all in the The number of new personal customers' accounts rose by 15 eye-catching turquoise corporate colours. It also incurred per cent in the past year, and the wrath of the French bankcommissions increased by 28

agencies, although it is not

currently interested in increas-

per cent while the market ing establishment with a hardsell advertising campaign pubdropped 17 per cent. Net banklicising interest-paying ing income rose 1.1 per cent. By contrast, Barclays' prop-Yet it rejects criticisms about the costs of these exercises, it stresses that its retail banking activities rest at

erty portfolio in France -helieved to total FFr2.1hn (£250m) - is now 64 per cent covered by provisions.

Now, radically, it has break-even. It says it has no plans to cut the number of decided to withdraw from the property sector, and expects to have disposed of all related

The company is also paring down its lending to small and medium-size business outside Paris. Between the cnts in these two divisions, there is likely to be a noticeable reduction in its total workforce of 2,300 and some closure and reorganisation of agencies.

t the same time, Barclays strassea that large corporations and all investment banking activities, which are handled through its BZW arm, will remain unaffected. This reflects Mr Taylor's presentation in London that it would be concentrating on personal and investment hanking in the

It sounds a familiar picture in France. Last week, Spie Batignolles, the construction and civil engineering company controlled by Groupe Schnei-der, warned of substantial additional property losses in the 1994 results.

Two weeks ago, Suez, the flagship French financial and industrial holding company, unveiled losses of FFr4.7on triggered by FFr7.6bn in additional property provisions and plans to withdraw from the sector.

Barclays must be hoping that its own restructuring over the next few months will prove at least as effectiva as those undertaken by its French domestic competitors.

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This advertisement is issued in compliance with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited (the "London Stock Exchange"). It does not constitute an invitation to the public to subscribe for, or purchase, any securities in investors Capital Trust PLC (the "Company"). Application has been made to the London Stock Exchange for all of the warrants of the Company ("Warrants") now being issued to be admitted to the Official List. It is expected that admission of the Warrants will become effective, and that dealings in the Warrants will commence, on Friday, 17th March 1995.

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"Warrant Instrument"). Details of the Warrants were contained in the document dated 28th November 1994 which was approved by the London Stock Exchange as issting particulars."). Copies of the Warrant Instrument and the Listing Particulars will be available for inspection during normal business hours on any weekday (Saturdays and public holidays axcepted) up to and including Thursday. 30th March 1995 at:

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17th March 1995

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SERIE N° 71/94/3 SGA SOCIETE GENERALE ACCEPTANCE NV FRF 300,000,000 ZERO COUPON 2 MONTH BIROR 3 MONTH PIBOR RANGE LINKED NOTES DUE MARCH 16TH, 1995 ISIN CODE: XS0049192973

Notice is hereby given to the Noteholders that tha Final Redemption Amount applicable upon redemption of aach note was FRF 106 923,08 par denomination of FRF 100,000 FRF 1 069 230,77 par denomination of FRF 1,000,000

Reimbursement of the nominal has been made on March 16th, 1995 in accordance with Condition 6 «Payment» Conditions of the Notaa.

THE PRINCIPAL
PAYING AGENT
SOGENAL
SOCIETE GENERALE
GROUP 15, Avenue Emile Reuter LUXEMBOURG USD 10,000,000,000 EURO MEDIUM TERM NOTE OF SOCIETE GENERALE, SOCIETE GENERALE **ACCEPTANCE NV** AND **AUSTRALIA LIMITED**

SERIE Nº 72/94/3 SGA SOCIETE GENERALE ACCEPTANCE NV FRF 300,000,000
ZERO COUPON
3 MONTH PIBOR
RANGE LINKED
NOTES DUE MARCH 16TH, 1995 ISIN CODE: XS0049237828

Notice is hereby given to the Notaholders that the Final Redemption Amount applicable upon redamption of each note was: FRF 105 884,62 per denomination of FRF 100,000 FRF 1 058 846,15 per danomination of FRF 1,000,000

Reimbursement of the nominal has been mada on March 16th, 1995 in accordance with Condition 6 «Payment» of the Terms and Conditions of the Notas.

THE PRINCIPAL PAYING AGENT
SOGENAL
SOCIETE GENERALE
GROUP
15, Avenue Emile Reuter
LUXEMBOURG

NOTICE TO THE WARRANTHOLDERS OF NIPPON COMSYS CORPORATION

Bearer Warrants to subscribe for shares of common stock of the Company issued in conjunction with

U.S. \$100.000,000 11/4 per cent. Notes due 1998

Adjustment of Subscription Price Pursuant to Clause 4 of the Instrument dated 3rd March, 1994 (the "Instrument") relating to the above mentioned Warrants, notice is hereby given that the Company resolved at the meeting of the Board of Directors on 14th March, 1995 to make a stock split in the form of the free distribution of shares on 19th May, 1995 to shareholders of record as of 31st March, 1995 (Japan time) in the ratio of 0.1 new share for each

one share held by them. Such stock split requires adjustment to the subscription price pursuant to Clause Mi) of the Instrument as follows:

Subscription Price before adjustment: Subscription Price after adjustment:

Year 1,476.0 Yen 1.341.8

Effective date of adjustment: 1st April, 1995 (Japan time) In addition, the Company also resolved, at the meeting of the Board of birectors mentioned above, to issue U.S. \$100,000,000 notes due 1999 with warrants (the "New Warrants"). The above Subscription Price is subject to further adjustment pursuant to Clause 3(vii) if and when on 22nd March, 1995 the subscription price of the New Warrants is fixed less than the then current market price per share.

NIPPON COMSYS CORPORATION By: The Mitsubishi Bank, Limited as Principal Paying Agent

NOTICE TO THE SHAREHOLDERS

ISRAEL 2000 Sicav 20, Boulevard Emmanuel Servais L-2535 LUXEMBOURG R.C. B 47 222

Notice is hereby given that the Annual General Meeting of the sharebolders of ISRAEL 2000 Sicav will be held at the registered office of the Company on 4 April 1995 at 10.00 am. **AGENDA** 1. Approval of the report of the Board of Directors and the Auditor's report. 2. Approval of the financial statements for the fiscal year ending 31 December

Allocation of the net result. To discharge the outgoing Directors and the Anditor from their duties for the year ending 31 December 1994.

Appointment of the Agents of the Company :

Re-election of the Directors. - Review of new candidates as Directors proposed by the Board of Re-election of the Auditor

Resolutions on the above-mentioned Agenda will require no quorum and the resolutions will be passed by a simple majority of the shares present or represented at the meeting.

A shareholder may act at any meeting by proxy. On behalf of the Company, BANQUE DE GESTION EDMOND DE ROTHSCHILD LUXEMBOURG - société anonyme -20, Boulevard Emmannel Servais

L-2535 LUXEMBOURG

EUROPEAN INVESTMENT BANK

The notes will bear interest at 10,12188% per annum for the interest pariod 15 March 1995 (included) to 15 June 1.995

Paying and Calculation Agent

And the second s

Notice to Bondholders

Kia Precision Works Co., Ltd (Incorporated in the Republic of Korea with Imuted liability)
(the "Company") U.S. \$18,000,000

0.5 per cent. Convertible Bonds 2009 Pursuant to provision 6(B) of the Trust Deed dated July 14th, 1994 constituting the Bonds, notice is hereby given as follows:

A stock Dividend to increase the Company's paid in capital was authorised by a resolution of the Board of Directors of the Company passed on December 16th, 1994 as follows:

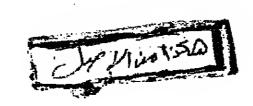
Record date: December 31st, 1994.
The Stock Dividend ratio was 2.5% of paid-in capital. Number of shares to be issued:

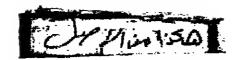
number of smarts to be assued:
number of common shares to be increased by 129,922.
Conversion price has been adjusted from 18,116 to 17,822
[pursuant to the provisions of the Trust Deed, effective retroactively to immediately after the record date). The schedule of the Stock Dividend was submitted to the Shareholder's Meeting which was held on March 3rd, 1995, and it was passed during the meeting as the company's original intention without material objections

By: Kia Precision Works Co., Ltd.

17th March, 1995

Dongsuh Securities Co., Ltd.





COMMODITIES AND AGRICULTURE

for nearly six years

By Kenneth Gooding, Mining Corresponde

The world's huge appetite for mobile telephones, personal computers, wide-screen televisions and other electronic devices has helped to drive the price of palladium to its highest level for nearly six years.

The precious metal is needed for the multi-layer ceramic capacitors used in electronic equipment. Its price has burst through the psychologically important \$160-a-troy-ounce level and was "fixed" in London yesterday at \$161.85.

The last time palladium's price reached this level was in April 1989 when speculators swooped on the metal after reports that it had been used in successful cold nuclear fusion experiments that might pave the way to the production of cheap energy. That proved to be a short-lived phenome-

Mr Michael Steel, market research director for Johnson Matthey, the world biggest platinum group metals market-

London price (5 per tray cures)

time palladium prices were moving on very beavy demand from Japan where most capaci-tors were produced. He pointed out that in January Japan imported nine tonnes of the metal, more than in any month

last year. The \$160-an-ounce level is

important in the palladium market because traders sug-gest that Russia, the biggest producer, digs into its stocking organisation, said that this reaches that level, fearing that

present a joint venture between Britain's RTZ and Niugini Mining, controlled by Battle Mountain Gold in the US. The devalopment plan envisages that both the PNG government and local landowners would come in as equity

partners, and shares in Libir Gold would then be floated on

the Australian stock market

Hopes high for PNG gold project Sir Wiwa Korowi, PNG's gover-

Final negotiations wera reported to be under way yes-terday between the Papua New Guinea government and local landowners over equity stakes in the proposed A\$1.1bn Lihir gold mine - with hopes still high that the "special mining lease" could be signed by the prospective mine owners and

Tha world'e major tea

producers will meet in Sri

Lanka next month to discuss

problems facing the industry

and ways to promote tea,

reports Reuters from Colombo.

Tea Board officials said a

new grouping being promoted

nor-general, today. Granting of the lease, essen-

tial for construction to begin, has already been delayed by over a year because of internal PNG politics, but it has now been approved by the cabinet. The Lihir project, the world's largest undeveloped gold project with an estimated resource of 42.5m ounces of gold, is at later this year.

Tea producers to meet next month by India and Sri Lanka, the biggest producers, would ini-Ratwatte, Senior tea trade officials from producer countries will meet on April 27-28 to lay the groundwork for the pro-

higher prices would encourage substitution of palladium by

However, Mr Steel pointed out that the fall in the value of the US dollar against the yen meant that the palladium price in their domestic currency was still ettractive for the Japanese. In 1989 there were about 130 yen to the dollar whereas today the rate was 90. Johnson Matthey estimated that, at present exchange rates, palladium would have to go above \$200 an ounce before rapid sub-

stitution took place. Nevertheless, the Russians were certainly digging into their palladium stocks. Mr Steel estimated that Russia exported about 3m ounces of palladium last year compared with production of no more

Mr Jeffrey Christian of the CPM metals consultancy group pointed out that in 1994 palladium's use in electronics rose by nearly 16 per cent to 2.5m ounces. "There are fresh signs that demand is continuing to increase at a strong pace," he

Palladium price highest |US report criticises farm aid for 'city slickers'

Over the past 10 years, more than \$1.8bn in US government subsidies have been paid to absentee owners of US farms who live in US cities, according to a new report produced by the Environmental Working

Group in Washington.

"Massive and widespread cash payments to absentee interests in cities are just one of many indications that America's federal farm subsidy programmes are out of date - and bedly out of control," the report says.

The report, entitled "City Slickers", was prepared from a study of computer records

amassed by the US Department of Agriculture, obtained by the filing of requests under the US Freedom of Information Act. Researchers found that from that from Beverly Hills, California, to Key West, Florida, "it is the rare, well-heeled suburb, urban enclave or resort spot in the US that does not have at least one federal farm subsidy

recipient in residence".
Payments were made under dozens of programmes that subsidise farmers, including loan price supports, conservation and disaster programmes.
The study underscores just

one of the fundamental problems with America's depression-era farm programmes: they mostly reward the ownership of land, not the farming of it, and rewards most those who own the most, not those most in need." the report says.

The findings are bound to reverberate in Congress, where a new multi-year Farm Bill must be written this year. Agriculture has been identified by members of both parties as ripe candidate for budget

Senator Richard Lugar,

chairman of the Senate agriculture committee and a candidate for the Republican presidential nomination, has proposed cutting the controver-sial US export subsidy scheme - the Export Enhance Programme - to save \$3.4bn over the next five years. Group does not oppose subsidies to farmers trying to stay on the land, but it says that subsidies paid to city dwellers do nothing to help farmers and rural communities survive.

The Environmental Working

Its research found that in the major cities, as in the country, a small number of individual, partnerships, trusts and corporations got the bulk of the payments. About 57 per cent of the subsidy recipients got less than \$5,000.

"Almost anyone can qualify for federal agriculture subsidies," the reports say. "You don't have to farm the land. you don't have to live anywhere near the land, you don't time. You don't have to be related to a farmer or to anyone else who has an interest in the farm."

The report calls for a rewrite of the farm programme to meet the needs of 1995, not 1983. "No farm export or crop insurance subsidies should be provided until the environmental and economic risks of those subsidies have been clearly identified and least-cost alternatives. . . have been thoroughly

considered," the report says. "Federal law should eliminate federal farm subsidy payments that inflate the price of farmland and thus boost potential taxpayer exposura from. . . compensation

Cocoa producers fail to boost market confidence

By James Harding

Proposals from some of the world's leading cocca produc-ers to squeeze supply by controlling stock levels failed to maintain market confidenca this week, as prices fell on forecasts of high output for

As Brazil and the Ivory Coast launched an initiative to control stocks, boost producer consumption and target new markets for cocoa at the International Cocoa Organisation ment forecast world cocoa

interim council meeting this week, cocoa prices on the London Commodity Exchange fell, closing at £983 a tonne yesterday, down from £1,004 at the end of last week.

"The market is not taking much notice of pronounce-ments of this kind, as attention is focused on the high production figures which continue to axceed analysts projections," said Mr Tony Chadwick, cocoa specialist at Prudential Bache. The US agriculture depart-

2.53m tonnes, up 2 per cent from last year's output. In Africa, cocoa bean production is forecast at a record 1.44m tonnes, 4 per cent more

bean production for 1994-95 at

than in 1993-94, according to the USDA's monthly World Agricultural Production report. Output from the Ivory coast was forecast at 860,000 tonnes up from 850,000 tonnes.

The only significant downward revision from the USDA's October forecast came from Brazil, where lower than

expected crop production depressed South Amarica's overall output forecast to 443,600 tonnes, just below last

Brazil and the Ivory Coast aimed to ensure price stability with the action plan they proposed at the beginning of the

Mr Guy-Alaine Gauze, Ivory Coast's commodities minister, said he would like to see world cocoa stocks, which now represent the equivalent of six months' demand, "down to three or four months' consumption".

As well as stock control proposals, the cocoa producers suggested that the ICCO buffer stocks should be used for strategic sales to Russia and China with the aim of "promoting consumption in these coun-

tries".

Promoting demand in producer countries should also be made a priority, as Brazil and the Ivory Coast hopa to "deepen" the cocoa industry in

Environmental groups attack voluntary fishing code

By Deborah Hargreaves

Ministers from over 100 countries attending a conference on over-fishing in Rome this week agreed a code of conduct to reduce fishing effort and apply conservation measures to devastated fish stocks. The resolution came yesterday as Canada and the European Union struggled to resolve their dispute over Greenland halibut in interna-

tional waters off Newfound-But environmental groups argued that the resolution

agreed at the United Nations' Food and Agriculture Organi-sation meeting contained few specific measures and relied on the goodwill of countries that had previously shown little interest in cutting their fishing

The major problem with the code is that it is designed to be voluntary: there is not one ounce of compulsion in it," said Mr Michael Earle at Greenpeace, the environmental campaign group.

The ministerial meeting was

convened amid dire warnings by the FAO that fish stocks

were in severe danger of colno sanction against countries lapse worldwide.
Mr Jacques Diouf, director that fail to observe the resolugeneral of tha FAO, opened the The FAO's meeting was held

meeting with a warning that in advance of a UN conference "the voluntary system of reguin New York on March 27 to continua negotiations for a lation of fisheries has not been binding treaty on managing "States whose nationals are and conserving fish stocks that engaged in fishing, especially straddle the borders of counthose in large-scale commercial tries' territorial waters and live

fishing. . . have often not been able to honour their conservation and management responsibilities," he went on.

However, although signatories to the FAO's coda say they will conserve stocks, there is

in tha high seas. States such as Canada and

JOTTER PAD

Norway, which fish mainly within their own territorial waters, are pushing for a binding agreement in New York that would establish some

international effort for policing fisheries. But others, such as Japan, South Korea and the European Union, with long-distance fish-

ing fleets, prefer the FAO's voluntary coda. The code promises to reduce over-fishing, cut the number of fish thrown back into the sea estimated by the FAO at 27m tonnes a year or a third of the world catch - and review fleet

It also agrees to promote ecologically sound fish farming as a way of reducing pressure on

COMMODITIES PRICES BASE METALS LONDON METAL EXCHANGE

Prices from Amalgameted Metal Trading M ALUMINIUM, 99.7 PURITY (\$ per tonne) 1814/1791 AM Official Kerb close Open int. Total daily turnover 1808-7 208,006 86,423 M ALUMINIUM ALLOY (\$ per tonne 1800-10 1810-20 1*8*05/1*7*90 1795-805 1785-95 1780-90 1795-805 Kerb close Open int. Total daily turnover 2,794 1,160 E LEAD (\$ per torme) 500-00.5 581-81.5 593/587 591-82 587-8 High/low AM Official Kerb close Open Int. 581 580-81 MICKEL (\$ per tonne)

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High/low AM Official 229,632 67,413 LARE Closing S/6 rate: 1.5910 Spot: 1.5875 3 mitus: 1,5063 6 mitus: 1,5821 8 mitus: 1.5793 HIGH GRADE COPPER (COME)

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tially focus on quality, research into disease and ways to promote the health aspects "The aim is to form a common forum to discuss problems Precious Metals continued

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1.550

I UNILEADED GASOLINE

55.25 55.00 55.00 54.85

Day's

+0.28

E GAS OIL PE SATURE

Mar' Apr May Jol Sep Dec Total

ENERGY

E CRUDE OIL IPE (\$/barrel)

Labet Day's price change 16.64 +0.07

472.5 +0.1 472.5 486.5 84 478.8 -0.2

-1.4 -1.6 385.5 384.2 65.745 26,593 -1.7 388.5 387.0 30,058 5.343 -1.7 382.0 390.3 16,425 1,006 -1.7 4,764 2

-1.9 421.5 420.0 14,585 4,320 -2.0 424.0 421.1 8,830 1,154 -2.0 426.1 424.0 1,961 142 -2.0 674 10

170,322 34,511

43 1,345

491 105 6,888

473.0 14,965 477.0 11,238

18.05 50,133 31,629 18.05 68,436 38,410 18.05 61,259 11,498 18.00 24,932 4,345 18.00 12,150 2,064

16.55 42,439 26,152

45.05 37,744 18.021 45.45 29.525 5.533 46.20 14.977 2,896 46.90 12,887 1,453 47.75 6,545 927 48.85 4,123 383

5 15.543 1,920 3 7,890 192 7 4,363 1,088 158,033 60,532

471

posed International Tea-producing Association of Countries.

GRAINS AND OIL SEEDS

price change Page 113.55 112.60 113 113.55 +11.40 113.55 112.60 113 114.55 +1.15 114.55 113.50 2,021 115.70 +1.15 115.75 115.25 420 10.00 102.25 101.50 253

102,25 +0,80 102,25 191,50 253 103,10 +0,75 103,10 102,25 2,358

MAIZE CET (5,000 bu min; cents/56tb bushel)

108.40 +1,15 108.40 108.00 108.25 +1,25 108.30 108.00 100.50 +1,10 102.70 +6,70 102.70 102.25

E SOYABEANS CRT (5,000bii min; centa/60th bushet)

26 576/0 572/6 2,454 3/4 585/2 580/6 51,176 : 3/4 596/4 591/2 45,289 3/2 800/6 596/0 5,239 4/6 910/0 605/2 25,239 4/6 910/0 605/2 25,239

7/50 -0.75 28.15 27.38 5.704 1,832 28.23 -0.74 28.90 28.12 41.572 11,023 25.98 -0.89 26.60 25.85 28,650 4,210 25.80 -0.87 28.40 25.75 8,884 783

+0.4 182.9 161.2 1,249 +0.5 168.9 165.0 38,231 2 +0.5 171.5 169.8 27,855 1 +0.4 173.3 172.0 8,115 +0.4 173.3 172.0 8,115 +0.5 175.4 173.8 5,838 +0.7 176.8 175.5 9,346

-5.8 295.0 290.0 -13.5 340.0 330.0

-40 2265 2255 -45 2275 2245 -57 2220 3105 -45 1980 1010 -55 1985 1880 -87 1850 1840

Wrool
The Australian Eastern wool market indicator closed 13 cents of own on the week at 827 cents a fig. Easing again mainly affected finer merinos, with other categories fairly firm, and middle merinos only easing at the final day'd auctions yesterday. New Zeetend prices at yesterday's sale rose quite strongly, taking the overall market indicator up by 30 cents to a new easonal record of 848 NZ cents a lig. The varied wool market picture has much to do with what and when China buys at auction. Reduced Chinases Interest applied to Australia, but not in New Zeetend, where coersar cross-breds predominate at current sales. Sirtish wool prices were firm this at this week's Bractiord attention for types favoured by China, but otherwise the market for carpel wools

but otherwise the market for carpet

FREIGHT (BIFFE) LCE \$10/Index point

SOYABEAN MEAL CET (100 tons; \$/ton)

182.8 168.5 171.1 172.8 174.0 176.3

POTATOES LCE (Extenne)

290.5 331.5 250.0 105.0

7265 7255 7197

28.15 27.36 5,704 28.90 28.12 41,572 26.60 25.85 23,650 26.40 25.75 6,894 26.25 25.70 5,803 28,10 25.80 8,760

143,228 60,577

738 980 358

241/0

BARLEY LCE (E per formel

-5/6 351/0 343/4 356 -4/0 350/4 345/0 25,102 -1/2 338/0 34/6 25,901 -0/2 343/2 340/2 2,931 -0/6 354/2 351/0 2,514 -0/4 77

-1/2 242/8 240/4 4,177 2,137 -1/4 249/6 248/4114,777 23,123 -1/2 255/2 253/0 104,915 13,120 -1/0 259/2 257/4 19,967 898 -0/2 25/4 269/8 86,109 7,758 -0/4 288/4 267/0 8,302 474 -288/4 267/0 8,302 474

5,953

MHEAT LCE (C per tornte)

E COCOA LCE (E/tonne -15 985 970 2,848 58 -9 988 973 21,281 3,406 -7 996 980 12,008 1,372 -6 1005 992 12,510 664 -4 1812 1007 14,545 880 -4 1024 1013 17,254 880 579

fleets.

COFFEE 'C' CSCE (37,500lbs; cents/lbs) +8.75 178.00 171.75 181 -7.60 182.40 170.50 17,920 -7.50 183.50 172.00 8,345 -8.00 184.75 175.90 4,857 -8.00 173.50 174.90 4,650 -8.00 173.50 174.90 4,550 172.50 III No7 PREMIUM RAW SUGAR LCE (cents/lbs) +0.04

4,650 615 37,884

1,161

1025 ..

- BRENT CRUDE IPE

5,521 - 374.0 388.0 12,453 806 -0.3 363.0 356.5 6,432 410 +0.1 334.5 328.0 3,156 426 +0.6 327.0 323.0 187 30 +0.6 320.0 317.0 729 16 +0.1 319.5 E SUGAR "17" CSCE (112,000bs; cents/bs) 13.98 13.58 58,878.21,495 13.16 12.80 36,332 9,561 12.42 12.22 35,892 4,965 12.16 12.00 12,443 807 12.01 11.92 3,396 44 11.92 11.86 3,854 100 +0.01 -0.07 -0.04 -0.07 12.42 12.16 12.01 11.92 E COTTON NYCE (50,000lbs; cents/fbs) 108,05 -0.04 108.20 167.85 24.401 2.210 103.80 -0.13 104.03 103.25 18,962 1,368 85.60 +0.45 85.95 85.55 7.307 532 78,75 +0.25 78,70 79,70 25,205 4,345 80,70 +0.40 80.70 80.20 5,184 281 81.00 +0.30 81.20 80.75 898 1.5 80,770 183.70 -0.70 104.80 103.49 108 172 107.45 -0.75 108.30 108.45 12.176 4,804 111.10 -1.30 112.40 110.50 5,187 564 114.50 -1.40 115.40 114.00 4,278 191

1,289 29 21,861 5,440 115.20 114.00 VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CST. NYCE, CME, CSCE and IPE Crude Oil are one day in arreging.

-1.30 112.40 110.50 5,187 -1.40 115.40 114.80 4,278 +0.45 114.80 114.00 1,973

INDICES # REUTERS (Base: 18/9/31=100) Mar 15 month ago 2337.7 2258.5 # CRB Futures (Base: 1967=100)

MEAT AND LIVESTOCK II LIVE CATTLE CME (40,000ths; cents/lbs)

Soft Brey's price to the price ELIVE HOGS CME (40,000fbs; cents/lbs)

PORK BELLIES CME (40,000fbs; cents/fbs)

47,900 -0.850 48,700 46,550 377 47,950 -1.050 49,200 47,700 5,364 47,875 -1.050 48,950 47,550 2,043 44,800 -1.400 48,100 44,800 405 53,625 -0.300 53,625 53,200 100 -0.300 53.625 53.200 LONDON TRADED OPTIONS

Strike price \$ tonne MI ALLIMANNI DA Sep 90 112 136 Jun 157 128 103 Jun 58 79 103 1700 -(Grade A) LIME 29 44 87 89 115 171 E COFFEE LCE May 52 69 89 58 75 97 E COCOA LCE Jul

LONDON SPOT MARKETS

Jul

Apr

E CHUDE OIL FOR ther berral/And Brent Blend (dated) Brent Blend (May) W.T.I. (1pm est) \$18.68-8.702 \$18.26-8.28 # Oil PRODUCTS NWE prompt delivery CIF (forms) \$172-173 +0,5 Gen Oil Heavy Fuel Oil Naphtha Jet fuel \$149-151 E OTHER Gold (per troy ox) Silver (per troy ox) Platinum (per troy ox.) Pelladium (per troy ox.) -3,25 +0.25

144.0c 41.75c 13,91m -1.0 -0,08 +4,00 Tin (Kusika Lumpur) Tin (New York) 258.50c Cattle (the weight): Sheep (the weight): Pigs (tive weight) 121,300 127,44p 92,37p +2.57 +1.10 Lon. day sugar (raw) Lon. day sugar (wie) Tata & Lyle export \$347.0 -9.4 -7.0 -8.0 2331.0 Unq. £141,0 Barley (Eng. feed) Malze (US No3 Yellow Wheat (US Dark North) Rubber (Apr)♥ 121.50p 461.0m Rubber (KL RSS No1) \$835.0y \$700.0z -20.0 -17.5 Coconut Of (Phil)§ Paim Oil (Malay.)§ Copra (Phili)§

622p r ingglifig, m Malaysian cantalig, a ApcAyn & Apr. y Apr. May. q Oct/Dec. \$\times\$ London Physical. \$ CSF Rotterdam, a Sulion market close. \$ Sheep (Live weight prices). Clange to week & Price and les accessed.

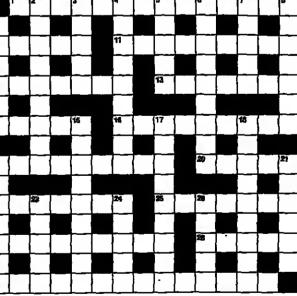
Sovabeans (US)

\$425.0y £189.0y

112.850

CROSSWORD

No.8,713 Set by GRIFFIN



sation worked (14) 10 One going, we hear, as a machine operator (5) 11 Opposing sister going out with six-footer (9)

14 From knee to trunk no man's this tall (5)

front (9) 19 Quote about faulty grate causing smoke (9) Peter ends up a wanderer (5)

25 Covered us in red liquid (7) 27 Turned up, not carrying pres-ent at that point (9) 28 Ring back wicked lady (5) 29 Char leaping around sprucing

way (5)

4 Scrap torn dress in time (9) for bloomers (5)

8 AA turn to new motorist as standing inside (6)
15 Of extraordinary strength, girl's completely round the bend! (3)

17 Live and die once accepting submissive behaviour (9) 18 Outstanding placard over energy installation (9) 19 Copper scolds clergymen (7) 21 Flush with coloured end after

rotating (6)
23 Joy caught her sweetheart inside (5) 24 Being very good in bed raised the subject (5) 20 Peter ends up a wannerer (o)
22 Tell engineers to carry weight 26 A firm nurse goe showing disdain (5)

up the place? (6,8)

2 Talking wildly about his bananas being lovely! i9) 3 Donor sent some from Nor-

5 A pink satin originally used 6 Jack gets filter without first. ringing teetotaller (9) 7 Not fitting it holds vessel up

Solution 8.712 CATHEODRY ABLAZE

R R E L L' N

ETUDE SOMMOLENT

E N E P B O N A

PEKINGESE ODDGE

S O C C R A A

CACHET SUNGLET

EACHEIR
T LA DA
ENLANGE SETOUT
A T D D D
RAVER EDEGULAT
A E E A D D T
CONDUCTED DROP
E A S Z E E R

INTERNATIONAL CAPITAL MARKETS

Treasuries surge on signs of slowing growth

By Lisa Bransten in New York and Graham Bowley in London

US Treasury prices surged late yesterday morning, with the yield on the long bond slipping below 7.3 per cent for the first time since last June, on signs that economic strength may be moderating.

At midday the henchmark 30-year Treasury was up H at 104 to yield 7.289 per cent. At the short end of the market, the two-year note was 🛦 higher at 1001, yielding 6.630 per

Prices were lower early in the morning as the dollar slipped below late Wednesday levels against the D-Mark and the Japanese ven. A less valuable currency detracts from the bond market because it deters foreigners from holding US securities.

Later in the morning, however the dollar posted modest gains against those currencies. focused vesterday on the spate which indicated a decline in recent levels of growth.

February consumer prices had a neutral effect on the market as the index came in at 0.3 per cent, just as a consensus of economists had forecast. Although the figure was higher than it has been in recent months, most economists have been expecting price pressures seen at earlier stages of production to trickle out into the

More encouraging was a decline in the rate of growth of housing starts. Bond traders, who fear inflation because it erodes the value of longer-term securities, sent prices higher after the release of data showing the number of new homes built last month fell by 2.6 per cent from January rates.

With upward momentum established, the market jumped later in the morning after the Federal Reserve Bank of Phila-delphia released its survey of business activity in the Atlanthe overall index declined to 3.3 per cent versus 11.9 per cent in February.

Especially important was a decline in the prices paid component to 41.4 per cent from 46.2 per cent in February. The Fed has watched rising prices paid by manufacturers closely this business cycle and often used them to justify interest rate increases.

GOVERNMENT BONDS

■ The advance in US Treasuries pushed European gov-ernment bond markets higher yesterday.

German government bonds led the way, with bunds rising sharply after the Bundesbank left interest rates unchanged at its fortnightly meeting and as the D-Mark continued to strengthen against other European currencies.

The yield on the benchmark

of economic data, most of tic seaboard region. In March, 10-year bund fell back to 7.16 tral bank announced that its per cent and the June bund contract on Liffe rose 0.88 to

92.00. Mr Stephen Hannah of IBJ International said the 10-year yield could move as low as 7 per cent. But other analysts doubted whether current gains could be maintained.

"The market remains vulnerable at these levels," said Mr Klaus Basder at Lehman Brothers. He said economic data out next week. including figures for the M3 money supply and inflation data, would provide an important test for the market. "After disappointing inflation data in February. the market is definitely looking for better numbers this month," he said.

A wave of speculation that the Bundesbank might cut interest rates swept the market early in the session, triggered by comments from Mr Hans Tietmeyer, the Bundeshank

However, the German cen-

Lombard rate was to remain at 6.0 per cent and the discount rate at 4.5 per cent, while its "repo" rate, unchanged since July last year, was again fixed

at 4.85 per cent. The decision boosted the long end of the yiald curve while shorter-dated maturities reacted negatively but bunds rose sharply across the board in later trading as Treasuries rose and as sterling and lira moved to new lows against the D-Mark, renewing some speculation that the Bundesbank

■ Italian government bonds rallied after the government won the vote of confidence on its L20,000bn mlni-budget but the rally was muted, dealers said, and the market "remains very fragile".

might still cut interest rates to

stem currency volatility.

Mr Stephen Hannah at TBJ International said the yield premium on Italian bonds over bunds, which ended yesterday

at 638 basis points, could widen further to between 700 and 800 basis points.

"It is going to take that level of yield to attract investors | In Boca Raton into the market," he said.

■ UK gilts tracked bunds and US Treasuries higher, shrugging off sterling weakness and higher than expected public sector borrowing figures.

Ten-year maturities posted the strongest gains, "reflecting the fact that most of the gains were futures-led", rather than in the cash market, said Mr Bob Dobson, head of gilts at Daiwa Europe. "Gilts are technically in very

good shape after breaking through the key resistance level at just below 103," said Mr Hannah. The long gilt future on Liffe settled at 1031/2, up H.

The Bank of England is expected to announce details of its next auction today, with traders anticipating a sale of 8 per cent gilts due 2015.

CFTC chief urges regulation review

By Laurie Morse

Mrs Mary Schapiro, chairman of the Commodity Futures Trading Commission, has called for a thorough re-examination of futures regulations and exchange protections, both in the US and globally, in the wake of the Barings crisis.

DERIVATIVE INSTRUMENTS

Speaking at a meeting of international futures industry executives in Boca Raton, Florida, Mrs Schapiro said tha CFTC would convene a meeting of futures market regulators from the world's leading markets to:

 enhance communication among international regulators and market authorities during times of financial crisis:

• identify legal and practical impediments to containing spill-over from localised financial disruptions:

• foster protection of customer funds wherever they are

located; promote national bankruptcy laws that would distinguiah between market positions of solvent customers with insolvent brokerage

firms: and improve mechanisms for detecting positions held in multipla markets that threaten

market integrity. Mrs Schapiro said that her agency, which is the chief derivatives regulator in the US, intendad to investigate the practical and legal ohstacles that US futures firms have encountered in transferring positions and funds held by Barings Singapors, and to adjust US regulations to address those problems.

Sudwest LB brings tightly priced \$200m four-year deal

By Martin Brice

The eurobond market spluttered into life vesterday. although the dominance of AAA rated issuers showed investors remained cautious. The tight swap spreads and

lack of arbitrage opportunities continued but some swaps seemed to be possible. SudwestDentsche brought a \$200m four-year deal carrying a 7 per cent coupon which lead manager Paine-Webber admitted was aggres-

sively priced at 5% basis points

over the Treasury curve. A PaineWebber syndicate official said: "This is universally regarded as being aggressive. Tight pricing is the only way to do e deal today, to get the swap to work.'

WORLD BOND PRICES

PaineWebber said the deal was aimed at Swiss retail buyers who wanted AAA rated paper. It used a very small syn-dicate to which it allowed small tickets. "We have the distribution for this deal," said an official.

INTERNATIONAL BONDS

Another house said there was likely to be good demand for a 7 per cent coupon on bonds from a AAA rated bor-

GECC, also AAA rated, brought a \$200m deal, which was rapidly increased to \$250m by lead manager SBC in the light of strong demand. The two-year paper carried a

coupon of 7 per cent and came at a spread of 8 basis points over Treasuries. SBC reported Swiss retail demand and some switching out of other bonds into the GECC deal by UK

A syndicate official said: "There is a real lack of supply at the short end of the dollar market." An EIB dollar deal is now trading at 15 through Treasuries, said SBC, and a GECC issue with a coupon of 7% per cent maturing in 1997 has tightened in to trade at 2 over Treasuries. A flurry of floating-rate

asset-backed dollar-danominated bonds included a twotranche deal for AAA rated MBNA Master Trust, the credit card group, handled by Merrill Lynch. A \$500.25m tranche has

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Sook rurster
US DOLLARS MENA MT S.1995-A Cleme A(a)‡	500.25	(a1)	100.00R	Aug.2004	0.408	_	Memil Lynch & Co.
GECC IN SCIENCE COME CAPT	250	7.00	100,20R	Apr.1997	0.125R	+8(6519:-97)	
Sudwest, LB CapLMkts.(b)	200	7.00	99.97R	Apr.1999	0.225A	+515(b1)	PaneWebber International
Repackaged Sov. Invs.(c);	100	(0)	99.80	Dec.1997	0.15		Barclays de Zoete Wedd
unch, Series A(c)‡	50	(4)	100.25	Jun_2001	0.25		Sumitomo Trust Intl.
WISS FRANCS							
City of Vienna*	200	S.25	102.50	Apr.2001	1.625		Ek.von Ernst/Menfil Lynch
Sanken Electric Co.ff •	130	2.375	100.00	Apr.1999	1.625		Credit Suitse
TALIAN LIRE							
Deutache Bank Pinance(g)	1 00 bn	11.00	99.825	Nov.1996	1,125	-	Deutsche Bank London
MILDERS							
Vederlandse Weterschapsbank	250	7.50	99.32R	Apr.2005	0.325 FI	+18%/7%%-05	NING Bark
LIXEMISOURG FRANCS					_		
Senfinance Luxembourg	2bn	(h)	101.75	May.2004	2.00		EGL.
Bacob Oversens(c)	2bn	7.7S	102.20	Feb.2000	1.7S	-	Bacob Bank Luxembourg
Asik-Oper Ifico	2bn	7.625	102.05	Apr.2004	1.625		Banque UCL

a coupon of 27 basis points over one-month Libor and matures in August 2004. Another \$25.875m tranche has a coupon of 45 points over onemonth Libor and matures in September 2004.

BZW brought a \$100m deal maturing in 1997 for Repackaged Sovereign Investments, an AAA rated vehicle which swaps an income stream from European government bonds

1 Up to 5 years (24) 2 5-15 years (21) 3 Over 15 years (9)

6 Up to 5 years (2) 7 Over 5 years (11) 8 All stocks (13)

FT-ACTUARIES FIXED INTEREST INDICES

119.53

The deal came at three-month Libor plus 15 basis points, and BZW saw demand from European and UK institutions, The bonds are 20 per cent weighted into dollars, which provide the for capital adequacy purposes.

2.53 5 vrs

2.93 4.05 1.47 2.96

119.33

+0,15

+0.57 +0.85 +0.51 +0.48

Philadelphia and Hong Kong exchanges in link

By Laurie Morse

The Philadelphia Stock Exchange has agreed to link its currency options trading elec-tronically with the Hong Kong Futures Exchange, allowing them to trade internationally for 20 hours a day.

Hong Kong is one of the more active foreign exchange trading centres in the world, and recent changes in its financial regulations will benefit exchange-traded currency instruments, said Mr K.C. Leong, chairman of the

Hong Kong exchange. The HKFE is planning a stable of futures contracts on the world'a major currencies, a venture that will hoost the options link with Phlz. Mr Leong said. The exchange is

best known for its Hang Seng

Mar 19 Mar 15 Yr. ago

8.45

8.41

6.62

Mar 16 Mar 15 Yr. ago

stock index futures product. Mr lvers Riley, now chief executive of the HKFE and once a consultant to the Phix. "We are extremely said: excited at the prospect of trading one of the world's most successful exchange-based producta. Phlx currency options are in demand in Asia, and we are confident that this linkage is the most effactive

way to meet that demand." Although Hong Kong is a major currency trading centre, transferring that activity to an organised exchange may be difficult, industry experts say.

"Tha Asian interbank foreign currency market is liquid, cheap, and well organised, and the banks are happy with that," said Mr Les Hoskings, chairman of the Sydney Futures Exchange.

6.85 7.45 7.46

Mar 18 Mar 16 Yr. ago

8.49 8.51

8.56 8.63 8.56

8.63

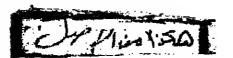
8.73 2.66

30 20 20 A TO

WORLD E	BON	PA	ICES	-												
BENCHMA	RK (GOVI	ERNME	NT BO	NDS				# BUNO	FUTURES !	OPTIONS	(LIFTE) DM	250,000 po	ints of 100	194	
			Red		Day's		Week	Month	Strike	-	C/	uls -			- PUTS -	
		Couper		Price	change	Yleld	ago	ago	Price	Apr	May	Jun		•	lay Jun	10.75
Australia Australia		9.000	09/04	93,8400	-0.410	10.02	10.23	10.03	9200 9250	0.34 0.15	0.66	0.90 0.67		34 0.4 85 0.1		
Belgium		7,500 7,750	01/05 10/04	97.8600	+0.550	7,47 B.07	7.65 8.33	7.65 8.25	9300	0.05	0.27	0.48	0.68 1,	05 1.	27 1.48	2.18
Canada *		9.000	12/04	103,1500	+0.500	8.51	9.68	8.97	Est vol to	ed, Colle 1829	98 Puta 117	82. Previous	day's open	nt., Colle 15	50866 Puts 13	1001
Denmark France B	TAN	7.000 8.000	12/04 05/98	87,8000 101,0900	+0.650	8.92 7.59	9,19 7.60	8.84 7.27	Italy							
	OAT	7.500	04/05	96,9100	+0.690	7.94	8.25	8.03		NAL ITALIA	M AOUT	DOMES (B)	-m esmio	to:		
Germany Bund Ireland		7,375 6,250	01/05 10/04	101,4300 83,4000	+0.870	7.18 8.81†	7.43 8.80	7.42 8.79		Lira 200m						
Italy		9.500	01/05	80.2500	+0.370	13.14	13.12	10.82		Open	Sett prio	e Change	High	Low	Est. vol	Open int.
	118	4.800	06/99	105 8750	+0,734	3.29	3.51	3.99	Jun	92.20	93.29	+0,65	93.60	92.00	52571	51953
Netherlands	174	4.600 7.750	09/04	104.2370 102.8800	+0.506	3.99 7.33	4,15 7,58	4.68 7.57	Sep	•	92.28	+0.85	•	-	0	37
Portugal		11.B75	02/05	99.6000	+0.050	11.54	12.14	11.65	III ITALIA	N GOVT. B	ONO (BTP	FUTURE	S OPTIONS	(UFFE) LI	ra200m 100	ths of 100%
Spain Sweden		8,000	02/05	97.1900 69.5800	+0.330	12.28	12.53 11.31	11.53 10.84	Strike		- 0	uls			PUTS -	
UK Gitts		6.000	98/88	91-20	+11/32	8.32	8.63	8.53	Pros		Jun	Se	p	Jun		Sep
		B.500	12/05	100-23	+24/32	B.40	8.73	8.57	9300		22	2.6		1.94		5.41
US Treasury		9,000 7,500	10/06	104-26 103-15	+29/32	8,40 7.01	8.71 7.31	8.56 7.52	9350 9400		1.94 1.70	2.4		2.18 2.42		3.69 3.99
oo maaay		7.625	02/25	104-03	+43/32	7.29	7.54	7.64					-		0 Puts 24600	
ECU (French Go		6.000	04/04	85.0300	+0.630	8.42	8.73	8.43								
London clocking, "No † Gross Ancholing				nent naveble	by nomen		ocal mar	ket standard.	Spain							
Prices: US, UK in 3					-		TOO: MAKS	International	M NOTIO	NAL SPANI	SH BOND	FUTURES	(MEFF)			
										Open	Sett price	e Change	High	Low	Est. yol.	Open Int.
US INTER	EST_	HAT	F2						Jun	91.35	81.49	+0.30	91.60	81.00	61,556	42,830
Lunchime				Treasur	Bills and		elds		122							
Prime rate		g ·	One month 1wo month		5.98 T 5.91 T	nto year		6.70 6.80	UK				ore ec-			
Elitafor form rate		622	क्रिक क्रमार्गे		5.9E F	VO TOO!		6.94	= NOTIO	NAL UK GII						
Fed.funds at Interved	400n_	3(2	Sk gnordh One ywar		8.18 1 6.40 3)-year)-year		7.09 7.36		Open	Sett price		High	Low	Est vol	Open Int.
						•			Mar	102-24	103-10	+0-24	103-11 103-20	102-24	389 67U72	14970 79201
			•							CALTOPUDDI						50
									Strke			<u> </u>	,		PUTS -	
									Price	Apr	May	dian	Sep A	pr M		Sep
BOND FU	TURI	ES A	ND OP	CHOIT					108	0-52	1-20		2-14 0-3	20 0-5	2 1-11	1-58
									104	D-18 D-05	D-51 0-28		1-48 0-1 1-22 1-3			2-28 3-02
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MOTIONAL F	FRENC	H BON	FUTURE	B (MATIF)					Ecu							
0	pen	Sets pri	ce Chang	ge High	Lo	W E	st. val.	Open Int.	ECU B	OND FUTU	RES (MATI	<u>F)</u>				
	1.66	112.2					84,108	122,129		Open	Sett price	Change	High	Low	Est. vol.	Open int.
	1.36	111.9 111.8					806	5,057 1,539	Jun	81.58	82.02	+0.44	82.06	81.46	2,020	8,539
I LONG TERM		_				-30	-	1,203								
	PHEN			rea (res i e)					us							
Strike Price	ADr	(ALLS	Sep	Apr		ЛЗ un	Sep		EASURY BO		mee #202	e400 000 0		~~~	
110	1.85		2.35	2.72	0.09		S1	1.14	US PA							
111	1.05		1.71	1.94	0.19		75	1.62		Open	Latest	Change	High	Low	Est. vol.	Open int.
112 113	0.70 0.28		1.41 0.89	1.65 0.72	0.43 1.20			:	Mar Jun	105-04 104-20	104-31 104-14	-0-06 -0-06	105-04 104-23	104-24 104-07	26,437 458,354	67,487 309,420
114	0.03		0.48	0.67	-				Sep	104-07	104-00	-0-09	104-07	103-27	900	13,707
Esc. vol. total. Call	D NA	Puth N/A	. Previous	dwy's open k	nt., Cadle N	A Puth	N/A .									
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MOTIONAL C	GERMA	N BUN	D FUTURE	S (LIFFE)	DM250,0			<u> </u>	LIFE	Y100m 100		_				
	реп	Sett pri	_		Ļo		st voi	Open Int.	h	Open	Close	Change	High	Low		Open int.
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Sep 90	0.80	81.50	70.00	91.00	30.	U	443	2104						io point	· cay.	
UK CU T	c -DE	iero			No.				7.0	17.5						
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	Holes	ing Yiel	d_ Red Price £	+ or - 18	94/95 _ Low			Notes int	Maid Rad Price E ·	199 + or - High	495		Hipton 4	Yield	to C	_ 1994/95 _
			a nai	- w- mile			M					. 15		(2) Pr	108 £ + 07-	High Low
Sherie" (Lives up to Buck 3pc 6as 1990-4	45	3.01	8.10 99%	+1 1035	97%, 1	noisseach ruis 6-kpt			8.50 106 ³ 6 8.40 69 ¹ 6	+14 1254		c .3g		S 3.52 2	54 +A	205点 197强
104pc 1995 Tress 124pc 1995#:		10.12	6.48 101.3 6.76 108%	107\$ 1135	1014	8 ¹ 2pc 2	005##	8.44	8.38 10032	+1 100	97 4	ne 'SREE	135.6	BU 3.65	1073 +4	1132 1062
14pc 1996		13.24	6.87 105%	117/	10533	ione 8 ½ p ione 13°26		8.90 5 10.19	8.40 106時記 8.77 122日	+13 12512	1181. 21	200 '01 200 '03	(78.0) 3.	40 3.81 16 50 3.83	1643 +16	1763 1635 1735 1587 1185 1074
15 490 1996## Exch 13 4pc 1996##		14.04 12.44	7.15 1065 7.29 1061 ₂	1212 +- 117	108,	74pc 20	06#	814	8.40 95%	+4 11211	903, 43	apc 194#	_m35.60 3.	50 3.83 50 3.8110 59 3.83	933a +5	118% 107% 184% 198&
Commission 10pc 199	6	2.06	7.80 1032	1123	103	Spc 2002	-6## _	8.29	8.45 9843xd	+3 111%	0125 21	2pg 129	(78.8) 3.	63 183	154, +5	1841 1982 1887 1491
Trees Cay 7pc 1907; Trees 134:pc 1997;	!	7.13	7.82 98.X		965	11 44 100 81 ₂₀ 1			873 116() 8.40 100()	+25 136点 +31 119点	1124 2	296 '11 296 '13	(74.6) 3. 69.33 3.	66 3JBS	159% +%	175% 154% 146% 126%
Each 1812pc 1997		10.03	7.79 104 <u>H</u>	+12 1742 +13 1103		131 ₂ pc 2	2004-8	10.43	8.71 12943w	+13 151%	12453 21	2DC '18	(B7.6) 1.	70 3.88	1674 +6 1675 +6 1683 +1 1683 +1 1705 +1 1705 +1 1583 +5 1311 +5 1484 +5 1484 +5	1461 ₈ 1263 ₈ 157 ₄ 1343 ₈ 15241 1281 ₂
Trees 84-pc 1997##. Buth 15pc 1897		8.61	7.97 1015 8.09 1158	+\$ 1102 +\$ 131\$	100합. 114월	read Spc 2 read Spc 2		8.09 8.29	8.40104@al 8.39 86 <u>1</u> 3ad	+월 124년 +월 115일	29년 27	290 '20 200 '244#	(83.0) 1: (87.7) 3:	73 3.8 812	1115 +5	15261 1284 ₂ 1284 ₄ 1064 ₅
94pc 1998		9.39	8.10 103F3	+3 114	102			4.28	and anything	-22 110%	41	ape '30##	_(135.1) 3.	74 3.86	1183 +5	12813 105%
Trees 64 pc 1998;‡‡.	=		8.18 97)3ml 8.18 95,1	+1 ₂ 1062 +1 ₃ 105	955a 93tt						Pro	(2) 5%.	i recemption b) Figures i	n parenthe	ejected inflation	en or (1) 10% Probase for
14pc 1996-1		12.12 I	6.35 11 <i>5</i> 5	+4 1314	1145						4ndi	eding de 8 n	nonths odor	to instudi di	nd have been	adjusted to
Treas 10 ¹ 2pc '9811 Each 12pc 1996		10.78	8.24121 33 4 8.33 1117	+6 125	10031	wer Follow					tac	or 3.945. Pi	ior June 19	94: 144.7 J	toruary 1967. Ind for Janua	Conversion by 1985: 148.
Trees 9120c 1009##.		P-16	8.32 103% 8.38 112334	+6 1162	1007	rease & 1/4) boov Bpc Lir		7.50	8.28 E24; 8.38 10513	4월 95월 4월 126월	7713 CL 10013					
Exch 124pc 1999 Trust 10 ³ 2pc 1999		P.78	5.38 101 Z	+3. 128/ +3. 121/ +3. 101/	10513	rees 9oc 2	012 <u>4</u> ±	B.52	8.36 105(4	+4 127%	100% DH	her Fh	ced Inte	ract		
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Conversion 101-pc 19 Trees Pite Rate 1999.			- 100gs	+% 1215 +3 1003	2943	rees Opc 2 8pc 2015			8.51 9612± 8.27 9714	据 17多	93}]			Yeld		_ 1994/55 _
			_			73-DC 201	12-15##	8.24	8.33 943	+å 114%	89%				Price E + or -	High Low
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8pc 2000## Conv 9oc 2000##		8.12 8.78	8.31 9848 8.94 10248 8.49 11853 8.49 10863	+3 985 +4 1163 +3 1869 +6 1225	95 997 ₈							pc '97-2 n Ouebec 15p	12.1 c 2011 _ 10.5	06 -	107% +4	1164 106
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10pc 2001			8.49 106jš 8.43 92 <u>18</u>	+1 122 ± +2 106 ±	1934 1	onsois 4pc		R.54	- 4613	+4 594	And Library	1900) 3 ¹ 290 in		33 -	37 ¹ 2 + ¹ 6	444 334
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	19 Mar	15 N	18F 14	Mar	13 May	10 Yr ago High' Low					Mar 15	Mer 14	Mar 13	Mer	10	Mei	r 8
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CURRENCIES AND MONEY

MARKETS REPORT

Currencies wilt as Buba keeps rates on hold

Sterling fell to an all time low against the D-Mark yesterday after the Bundesbank council's decided to leave its interest

Expectations that the Bundesbank might trim its repo rate had built up over the previous day, lending some support to the dollar, sterling and other European curreccies. When these hopes were dashed, the ness nopes were cashed, the D-Mark made sharp gains across the board, with sterling being the most conspicuous

The UK currency finished in London at DM2.2098, after earlier touching a low of DM2 2035. Against the dollar it finished at \$1.5919 from \$1.5965.

The dollar fell sharply after the Bundesbank announcement, but made up most of its losses in the afternoon, helped by the rally in US bond and equity markets. It finished in London at DM1.3882 from

The controversy over com

appear to be a factor in the pound's weakness. Apart from generalised D-Mark strength, the main factor undermining sterling is the concern that UK interest rates may be on hold

for a few months. Aside from the Bundesbank council, the main currency market focus was on Italy. The lira fell to a historic low of L1,228 against the D-Mark ahead of the confidence vote on the mini-budget. It recovered slightly when Mr Lamberto Dini, the prime minister,

won a narrow victory.

Elsewhere, the Mexican peso was in trouble again, closing 54 centavos lower at 7.27 pesos against the dollar. The South African rand, however, contin-

-- Prev. close --

meots made by Mr Kenneth ued to trade solidly, finishing Clarke, the chancellor, did not at R3.5725, from R3.585, against the dollar.

> Tha Bundesbank meeting was the focus for foreign exchange markets. Comments from senior officials over the past week had left open the possibility of a fall in rates, although some observers saw this as no more than an effort to prevent the market becom ing too one-directional in its view of German interest rates.
>
> The opinion that the central

> repo rate had been fuelled by the sharp appreciation of the D-Mark in recent weeks, which bas the effect of tightening monetary policy. On a trade weighted basis, the D-Mark has risen by around 8.7 per cent since the start of 1994, with 5.5 per cent

> of this coming in 1995. Against this, the German spring wage round is still under way. The decision by public sector unions to ask for

Against the dollar (peacs per \$)

bank had room to trim the a 6 per cent wage rise in 1995 would have encouraged Bund-

esbank caotion.

among industrialists that the Bundesbank had not made an effort to alleviate the problems caused by the strong D-Mark. Despite rumours, there was no sign of central banks in the market. However, Mr Yves-Thi-bault de Silguy. EU commis-

There was some surprise

sioner for monetary affairs, told the European Parliament in Strasbourg that recent currency turbulence was the product of o US policy of "benign neglect" towards the dollar.

"The fate of the US currency is a global phenomenon which requires a global response,"

■ The principal reason for sterling's weakness was D-Mark strength. This was aggravated by the increasing perception that UK interest rates will not rise for some time. This follows a series of data showing better inflation, but slowing economic growth. Mr Tony Norfield, UK trea-

sury economist at ABN AMRO bank in London, said that from a chart perspective, it was possible that the December short sterling future, could end up discounting rates as low as 7.5 per cent, compared to 8.12 per

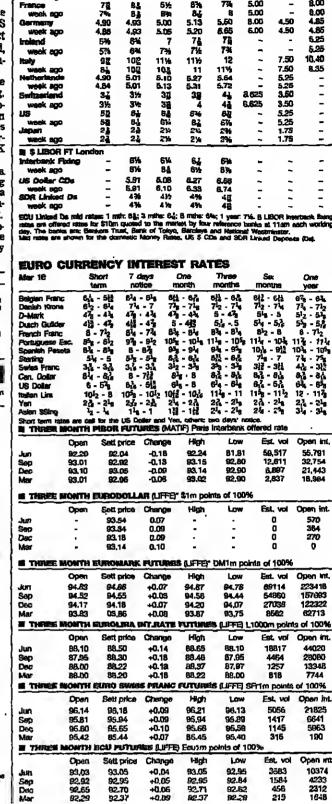
cent presently. If so, interest rates would only rise by another 75 basis

points this year. Helped by the strong performance of US interest rate markets, contract prices rose across the board, with the June contract finishing at 92.6, from 92.65.

Lower rates may be the wrong medicine for sterling. Mr Ian Harnett, chief economist at Societe Geoerale in London, is one who believes that the message from the market about sterling is that UK monetary policy is too loose.
"It feels as if there is not a

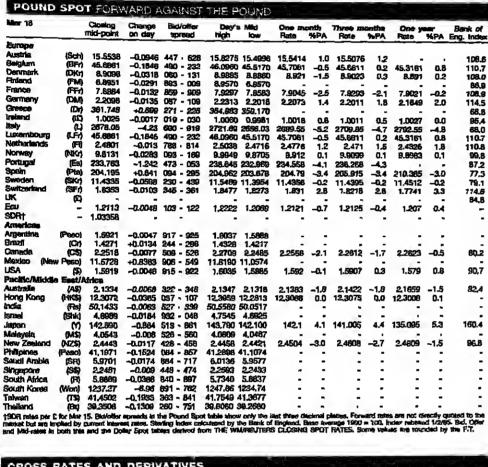
great deal supporting sterling now," said Mr Harnett. "Peopla feel that interest rate differentials are moving away from it. The Bank of England provided £190m late assistance towards clearing a £400m daily

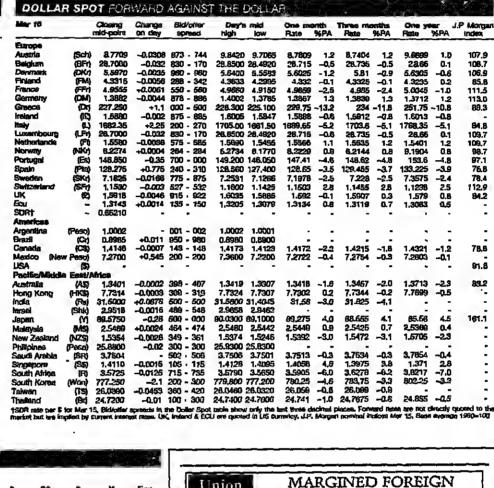
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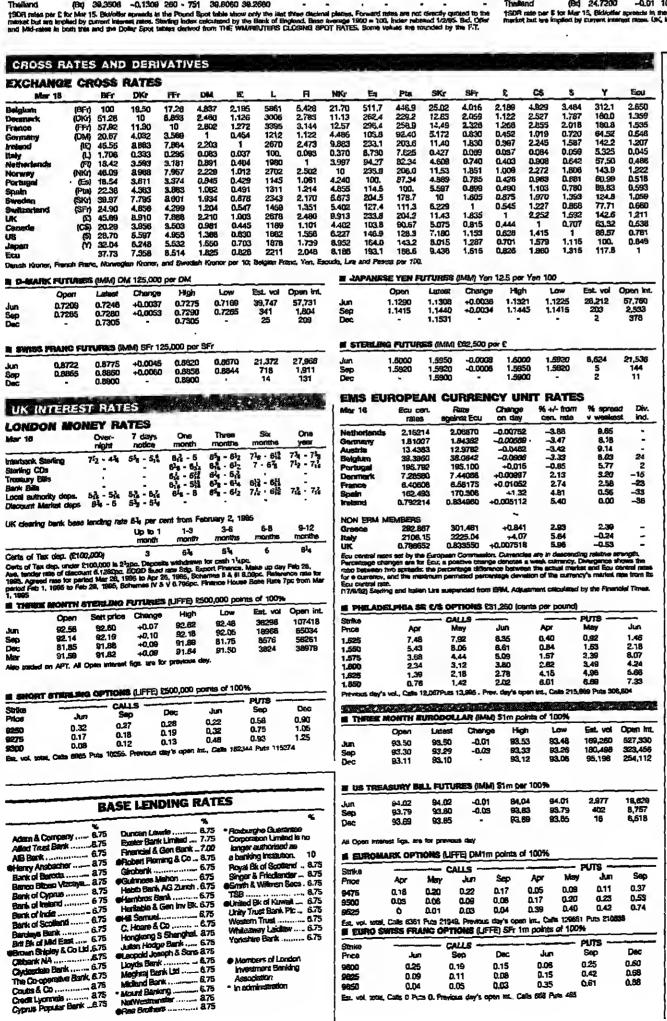


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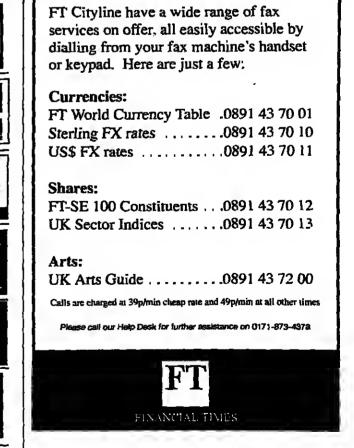


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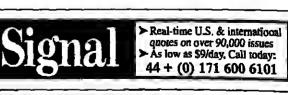
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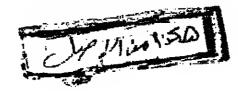
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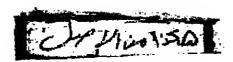
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LONDON STOCK EXCHANGE

MARKET REPORT

Best daily gain this year for the Footsie Index

By Terry Byland, UK Stock Market Editor

A sudden relaxation of interest rate worries sent the London stock market racing in the direction of its 1995 high point yesterday, leaving the FT-SE 100 Share Index with its best daily gain for the year. Early gains were rapidly extended towards the close, encouraged by new trading peaks in the Dow Average early in the New York session and by a surge in British government bonds.

The FT-SE 100 Share Index closed 47.1 points up at 3,094.1, within 16 points of its high for the year. Traders commented, however, that sub-

stantial rises in the Footsie blue key rates unchanged, and despite driven by the futures markets, which face important contract and share option expiries this morning.

The course of the control of the con

The FT-SE Mid 250 Index, which is less closely involved with derivatives markets, gained only 21.4 points for a closing reading of 3.367.6.

UK stocks opened higher after a London newspaper had published an interview with the president of the Bundesbank which encouraged hopes, in some quarters, that interest rates might be cut in Germany. Share gains were held even after the Bundesbank, at its regular, scheduled, meeting elected to leave

chips had been to some extent the renewed strength in the D-mark prompted by this decision.

In the afternoon, the latest US statistics on consumer prices, housing starts and employment were interpreted as non-threatening for US interest rate prospects and the Dow Jones Industrial Average rose by 29 points in London trading

Weakness in the dollar and In sterling was brushed aside, and London stocks began to respond vigorously to New York trends. Pharmaceutical stocks, although dollar-orientated, followed the strong recovery in the sector on Wall Street. In the building and con-

struction sectors, the continued strength of the D-Mark fuelled gains in UK companies with interests in Germany.

Some market strategists, while admitting to the influence from the futures markets yesterday, stressed that the past two trading sessions had brought clear signs of a revival of confidence in UK equities.

Analysts at Société Générale. French parent of Strauss Turnbull, tha London securities house. advised European clients in Frankfurt yesterday to overweight UK stocks in European equity portfolios. Mr Ian Harnett at Strauss pointed to the favourable bond/eq-ulty ratio in the UK markets.

programme trades executed in

Dealers in the financial sec-

tors pointed to a sudden surge

of buying interest in the banks

and insurances. "There has heen a return of confidence

from retail customers and that

has shown up in turnover lev-

els across the board," said one

HSBC was the top performer

in banks, the shares closing 27% higher at 695%p, helped by

a NatWest Markets recommen-

Merchant hanks continued to

mirror the market's satisfac-

tion with Schroders' numbers.

released on Wednesday. Schro-

ders moved up 10 more to

1488p. Kleinwort Benson the

same to 590p and SG Warburg

Drugs group Zeneca gained

19 to 876p, following an

announcement about the

Shares in Celitech Group,

launch of a new antibiotic.

mid-session yesterday.

marketmaker.

19 to 729p.

Reviving confidence was dis-closed by a sharp increase in retail, or genuine customer, business in equities on Wednesday to £1.92bn, a clear return to the best levels of the past twelve months.

However, although Seaq volume jumped sharply yesterday afternoon, the final total of 593.7m shares was nearly 20 per cent down on the previous session.

Non-Footsie husiness made up only around 54 per cent of yesterday's total husiness, further confirming that the bulk of the late activity had been in the Footsie-listed blue chips, which are the most responsive to pressures from the derivatives sector.



Open Sett price Change

Heavy demand for L&G

The prospect of substantial dividend increases in the next few years, plus an unexpectedly better payment for the past year, was the driving force behind the excellent performance of Legal & General shares. The stock jumped 18, or 39 per cent, to 477p, its highest level since September 7 last year. Turnover was exceptionally heavy, reaching 7.1m shares, the highest since

November. The group's profits were at the top end of the range of forecasts, hut the eight per cent rise in the dividend was especially pleasing to analysts, who had been looking for a rise of six or seven per cent at best. Analysts were generally enthusiastic about the pros-

pects of hig dividend increases which could follow a shift of funds from Legals' Long Term Fund, if the company reaches agreement with the Department of Trade and Industry. "If the DTI agrees to the shift

of funds then it could mean an increase of 50 per cent in the dividend in a short time," said one analyst. He pointed out that Legal was unique in the insurance sector, trading at a 12 per cent discount to asset value, "No other stock trades at a discount" be added.

The strong showing by Legal spilled over into other stocks in the sector, with Prudential also heavily supported and finally 11% higher at 320%p. and additionally boosted by the ending of the Newmarch resignation saga earlier this week. Turnover in Prindential reached a heaty 12m shares.

Northern falls

Northern Electricity continued to hog the headlines with the Trafalgar House takeover saga taking another twist as the Takeover Panel turned down Trafs revised 950p a

Northern shares, which rose sharply in the early part of the week as the market clung to hopes that the latest offer would be put to shareholders, dropped steeply, closing a net 40, or 4 per cent, off at 781p. Trafs held at 57p.

Trafs will launch an appeal to the Panel today but analysts hold out little hope that this will bear fruit. One said it looked increasingly likely that Trafs would walk away from the hid saga, a move which would trigger further downside in the Northern share price. He added that Trafs, which needs to solve its ACT problem, could well seek another bid target in the sector.

Media activity

Having lagged the FT-SE-A All-Share Index on a broad front for most of this year, media stocks sprang back to life vesterday. Analysts said the forthcoming results season has brought renewed focus to the sector, thanks partly to Reed International's strong numbers on Wednesday.

Renters jumped 1714 to 474'ap in 5.7m turnover, while United Newspapers gained 10 to 524p ahead of next week's

Hoare Govett is looking for profits of £135m (up from £118m in 1993) next Thursday with a strong performance overseas, plus recovering sovertising revenue in the UK, offsetting weakness on the Express national newspaper

side of the husiness. Mirror Group, which reports 1994 numbers on March 30, added 3¼ to 134¼p. Magazine publisher Reed gained 71/4 to 7521/4 for a two-day advance of 331/4.

BP attracted exceptionally large buying interest, much of it from the US, and the shares moved up 8 to 411p. Turnover was 17m, the highest daily total since December.

Dealers said the shares were huilding on a good performance which had begun earlier the week following a broker's recommendation to switch out of Shell and into BP. BP also featured strongly in a couple of

FINANCIAL TIMES EQUITY INDICES

	Mar 16	Mar 15	Mar 14	Mar 13	Mar 10	Yr ago	High	"Low_
Ordinary Shere	2371.5	2337.6	2336.2	2307.4	2311,6	2566.3	2713.6	2238.3
Ord, div. yield	4.47	4,53	4.53	4.58	4.57	3.62	4.86	3.43
Earn. yld. % full	7.21	7.32	7.31	7.39	7.37	4.92	7.30	3.82
P/E ratio net	16.51	16.28	18.30	18.11	16.18	22.08	33.43	15,11
P/E ratio nil	16.18	15.94	15.95	15.77	15.81	23.08	20.80	15.77
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Open	8.00	10.00	11-00	12.00	13.00	14.00	15.00	18.00	High	Low
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Total Falls	435	Total Lows	84	Cells	16,235
Same	1,689			Pubs	26,042

the hiotechnology company, jumped 11 to 265p, boosted by a strong recommendation from Lehman Brothers.

Elsewhere in pharmaceuti-cals, Wellcome hardened 12 to 1062p as Glaxo's successful offer went unconditional. Glaxo shares were also in demand and they closed 111/4 better at 701/sp after trade of 3.7m. The group reports figures next Thursday. USM-Listed Stanhope added a ¼ to 3½p following news that Guinness Peat had bought a 4.7 per cent stake.

The strong market trend helped United Biscuits reverse an early decline, after the group reported figures below market forecasts, unexpectedly high restructuring costs and talk of continuing tough conditions. The shares closed a penny firmer at 340p, after

trade of 3.7m. Index tracking funds were said to have been behind the sharp rise in Tate & Lyle, which replaces Wellcome in the premier FT-SE 100 list. The shares jumped 13% to 439%p. with volume rising to 48m.

Retailer Kingfisher, which reported figures earlier this week, was among a handful of FT-SE 100 constituents that resisted the strong market trend on a combination of fac-

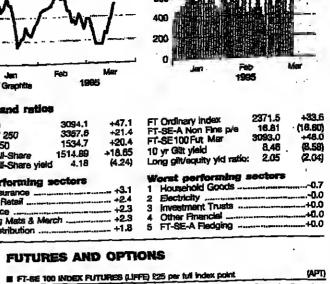
The shares gave up 2 to 431p, in trade of 3.7m, with some dealers citing straight forward profit-taking following the stock's sharp rise on bid speculation, ahead of the figures.

Powell Dnffryn moved sharply higher as a line of stock, overhanging the market since the January rights issue, finally wound its way through the system. The shares jumped 15 to 468p. Elsewhere among diversified industrials. Wassall added 4 to 257p ahead of today's results. Dealers expect Wassall's headline numbers to have been inflated by stock profits, following the bounce in copper prices.

News of a £40m US acquisition led to a 4 improvement to 142p at electrical engineers FKI. Worries about a major takeover, accompanied by a rights issue, have held the

shares in check this year. Incheape put on 7 to 307p in 2.8m turnover, with the market ticking off the days to March 27 and the group's 1994 profits. Kwik-Fit and Sanderson Bramall both moved ahead following strong results statements, including e 371/2 per cent dividend bounce at Sanderson which added 6 to 166p. Kwik-Fit hardened to 145p.

A confident results statement, including a 22 per cent jump for the dividend, pushed truck and trailer specialist Dawsongroup 18 higher to



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3050.0 3093.0 3051.0 3098.5 3122.5 +48.0 +49.5 +49.0 # FT-SE MID 250 INDEX FUTURES (LIFFE) \$10 per full index point 3345.0 3380.0 +17.5 3362.0 3345.0 3367.0 3383.0 +18.0 3367.0 3387.0 ■ FT-SE 100 INDEX OPTION (LIFFE) ("3086) \$10 per full index point E EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) \$10 per full index point 2925 2976 3025 3075 3125 3175 3225 3276 168 1 118 1 692 1 21 3 1 33 1 622 1 1322 1 1822 1722 12 132 2912 5512 34 55 53 43 79 24 11112 1212 14912 6 193 194 2312 15512 35 12012 50 9912 70 6212 95 46 12512 3912 160 1692 19912 21012 39 17442 52 14112 6912 11112 8772 8512 11012 8412 13812 4812 170 3212 205 25512 6412 18912 9512 133 135 66 15572

	Amt	Mkt		_ ~	SSUES: EQU	Close						TRADIN		نات	1-7
	pand	CBD	199	4/95		price		Net	Div.	Q ₁₅	P/E	Major Sto	cks Y	ester	day
Р	坳	ETL		LOW	Stock	_Р	_++		COV.		net		Vol.	Closing	Day's
150	F.P.	517.3	13'4		Albright & Wilson Both Press	165 124	+2	FING.0	1.5	4.5	18.3	31	228	354	244
510	F.P.	15.1					-25	HN5.9		42		ASDA Groupt	2,300	72	+12
-	F.P.	17.0			Beale	175	~	HINES: B	-	4.2	-	Abbey Nettoriet	2,100	448	- 4
	F.P.	29.5			Collegues	125		RNBO	22			Albert Fisher	829	41	+1
§128	F.P.	15.6			Dailywin	130			2.2	5.8	8.8	Affect Domenor	311	508	+5 +7
§130	F.P.	46.4			Datrontech	138		N-	-	-	15.9	Anglian Whiter	885	466 396	+7
§125	F.P.	21.1	:31		GET Group	128		N-	-	-	11.1	Argos Argyl Group†	747	202	+612
100	F.P.	30.0			Georged Inc Inv C	100		-	-	-	-	Aric Winggins	3,900	242 2	+112
\$135	F.P.	160			Golden Ross	119	-6	-	-	-	-	Assoc, Brit. Foods	63	598	+6
100	F.P.	153 6	96		HTR Inc Gen Sp Inc	96		-	-	-	-	Assec, Bril. Ports	1,000	275	-4
100	F.P.	94.5	105	102	Do. Zero Div Pf	105	432	-	-	-	-	BAAT	4,100	442	+2
-	F.P.	21.8	37	23	inv Tet of low Taxe	84		-	-	-	-	BA7 Inch.†	4,700	435	
-	F.P.	2.91	59	55	Do. Warrants	56		-	-	-	-	BET	2,100	110 336	+112
35	F.P.	21.4	35	33	MOT S Cap	33		-	_	-	-	BICC	1.900	706	
35		23.4	36		MCIT 5 Inc	36		_	-	-	-	BPT	17,000	4112	-8
	F.P.	0.35			Mekose Warrants	312		_	_	_	-	BPB Inds.	1,500	273	-2
199		23.2			Montanero LIK Sm			-	_	-	_	BTT	6,800	874 2	+7 2
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476		6.115.1			Nat Power IP/PI	171	-Ja	FN15.45	2.5	4.0	13.1	Bank of Scotland	1,400 5,000	211	+3
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572		4,045,7		17612		18812		FN15.D	32	3.8	11.1	Shie Circlet	6.400	287	+12
3.2						495		LIAIDO	32	3.0	1101	Booker	262	386	
-	F.P.	7E.3		490	Schroder I G Uhs			-	-	-	-	Boots†	2,000	50712	+72
-	F.P.	24.1		100	Throng Di Zero Pf	10112		-	-	-	-	Bowerert	2,300	ALB	45
	F.F.	-33			Wessex Trust	104	-4			-:		Brit. Aerospace†	2,600	496	47
1-5	F.P.	63, 9		170		176	-2	W4.65	2.1	3.3	17.8	British Airmoyet	10,000	29212	+012
Name:	in the se	0. 22.20	p higher	tor m	AMBRITANO DAN MARGARITA	THE REAL PROPERTY.						British Literal	1,900	367	444
												British Steelt	7,300	1624	-34
												Burel	B34	172	
												5 A 5	the country		

FT GOLD MINES INDEX Many % thing Miner Water Groups after 52 week 15 on day 14 13 aga yield % High Liver 1878.31 +2.2 1836.52 1838.19 2040.86 2.07 2337.90 1697.91 Africa (16) 2790.06 +2.5 2722.57 2738.86 2798.89 4.91 3711.87 2304.45 2184.17 +3.5 2790.39 2049.25 2782.18 0.61 2851.49 1788.20 1588.00 +1.7 1541.72 1542.38 1730.01 0.72 1911.21 1348.16 North America (11) Copyright, The Pintancel Tense United 1995, 7 Partial, Figures in brackets show humber of comparison, Basic US Doders, Basic Values: 1000,00 31/12/92, Lond, princes were unweighted for this defaunt.

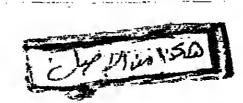
		Day's				Year	Div.	Earn.	P/E	Xd ac	L Total
	Mar 16		Mar 15	Mar 14	Mar 13	800	yleid%	yield%	ratio	yto	Return
T-SE 100	3094.1	+1.5	3047.0	3050.5			4,37	7.95	15.08		
T-SE Mid 250	3367.5	+0.6	3346.2	3332.5			3.79	6,78	17.73		
T-SE Mid 250 ex law Trusts	3376.1	+0.7	3352.5	3338.5			3.94 4.24	7,34 7,68	16.50		
T-SE-A 350 T-SE-A 350 Higher Yield	1534,7 1553,6	+1.3	1514.3 1531.5				5.25	8.30	14.52		
T-SE-A 350 Lower Yield	1515.2	+1.2	1496.6				3.22	7.08	16.87		
T-SE SmetCap	1685.99					2008.98	3.53	5.23	23,74		1324,63
T-SE SmellCap at Inv Trusts	1665.30					1988.78	3.74	5.83	21.56		1312.5
T-SE-A ALL-SHARE	1514,89	+1.2	1495.24	1496.02	1480.65	1640.76	4.18	7.50	16.03	8.65	1211,30
FT-SE Actuaries Ali-	Share	Day's				Year	Div.	Earn	P/E	Xd ad	. Yotal
	Mar 16	chge%	Mar 15	May 14	Mar 13			yield%	ratio	ytd	Return
MINERAL EXTRACTION(24)	2556.32		2627,16				3.85	8.72	18.65		1000.25
Z Extractive Industries(7)	3549.57		3485.62				3.96	7.78	16.05		979.88
5 Oil, integrated(3)	2689.23		2627.40 1 1871,00				3.85 2.60	7.02	17.74 80.00†	11.39 4.65	1090.04
Oll Exploration 2 Prod(14)	1679.37										
GEN INDUSTRIALS(278)	1820,26 835,69		1800.19				4.32	7.05	18.02	8.15 2.08	940.54 742.86
1 Building & Construction(38) 2 Building Mattis & Merchs(31)	1722.26		1583.40				4.49	7.33	18.11	0.88	820.09
3 Chemica(s(23)	2178.56		2152.62				4.38	5,75	20.87	22.60	963.65
4 Diversified industrials(17)	1806.65	+0.9	1780,53	800.46	1767.15	2170.74	5.27	7.29	16.55	13.34	942.48
5 Bectronic 6. Bect Equip(S6)	1907.57		1897.20				3.81	6.84	17.11	2.82	944.02
8 Engineering(72)	1761.58		1740,05 1				3.50	6.34	18.94	8.64	1020.51
7 Engineering, Vehicles(13)	2159.62 2715.00		2143,39 2 2703,76 2				4.23 3.41	3,11 7.04	43.27 16.58	5.64 0.17	1059.99
Faper, Poig & Printing(27) Textiles & Apparel(21)	1415.95		409.05				4.83	7.50	17,31	1,88	1074.92 811.72
CONSUMER GOODS 85	2908.76		878.95				4.31	6.69	18.17	25.06	1018.62
1 Braweries(15)	2125.42		108.44 2				4.51	8.67	13.91	11.99	973.76
Spirits, Wines 6, Cidera(10)	2562.13		549.17 2				4.45	7.68	15.30	26.30	B74.B2
Food Producers(24)	2382,76		358.04 2				4.21	7.90	15.34	14.70	1020.21
Household Goods(10)	2434.37		451.95 2				3.76	3.31	37.84	1.67	882.61
Health Care(18)	1513.16 3707.92		604.18 1 648.32 3				3.18	3.57	38.34	3.40	944.10
Pharmecouticals(13) Tobaccos2)	3643.55		635.20 3				3.69 6.29	4.54 11.25	26.47	48.61 D.DO	1205.79 831.12
SERVICES(290)	1569.08		B4B.24 1				3.44	7.02	17.29	_	
SERVICES(230) Distributor(32)	2279.83		285.74 2				4.15	7.96	15.00	7.11	928.92 800.85
Leisure & Hotels(29)	2097.30		058.84 2				3.64	5.43		21.85	1050.87
Media(45)	2783.97		744.31 2				2.70	5.84	20.22	6.35	971.51
Retailers, Food(16)	1835.44		810.00 t				3.58	B.73	14.05	2.69	1109.36
Retaders, General(44) Support Services(38)	1542.89		523.70 1				3.4B	7.50	18.53	5.28	842.52
Support Services(38) Trunsport(21)	1452.31 2144.16		452,91 1 138,85 2				2.97	7.12	16.99	3.27	897.58
Other Services & Business(7)	1166.25		161.34 1				3.99 3.85	7.03 4.78	16.61 28.35	6.31 5.42	848.37
UTILITIES(37)	2239.94		214,44 2				4.86	9.33			1015,52
Bectricky(17)	2128.84		130.75 2				4.80	12.22	12.71 6.78	6.85 19.89	882.55 911.47
Gas Distribution(2)	1934,25	+1.8 1	899.18 1	902.39	874.09	2076.38	6.19	7.14	17.50	0.00	908.50
Telecommunications(5)	1950.36	+1.5 1	920,96 1	929.09	1904.27	134.60	4.1B	6.90	17.68	0.13	846.51
Water(13)	1749.48		720,03 1				5.72	13.89	7.97	4.52	892.08
NON-FINANCIALS(884)	1634.47	+1.11	<u>815.95 1</u>	916.48	1600.13	786.55	4.14	7.18	18.81	B.17	1173.30
FINANCIALS(18)	2187.62		143.89 2				4.81	10.31		29.84	885.78
1 Banks, Retail(9)	2881.31		814.28 2				4.76	12.34	9.46		884.71
2 Barics, Merchant(8) 3 Insurance(26)	3022.31 1225.57		978.36 2 197.57 1				3.83	6.26	13.10		922.70
4 Lite Assurance(6)	2535.70		480.37 2				5.78 5.12	10.06 7.25	12.62 16.91	21.58 0.00	863.12 981.35
7 Other Pinencial(23)	1848.99		848.26 1				4.10	8.48		11.01	1004.89
Property(46)	1369.74		361.89 1				4.42	5.00	25.01	4.38	797.31
AVESTMENT TRUSTS(133)	2570.08	2	569.86 2	562.45 2	2553,43 2	928,12	2.46	2.00	50.04	11.79	872.31
FT-SE-A ALL-SHAREINS	1514.89	+1.2 1	496.24 1	496.02 1	480.65 1	840,76	4.16	7.50		8.65	1211.39
SE-A Pedgling	949.52	-	949.24	949.50	949,00		3.09	-		4.58	954.07
SE-A Fledgling ax Inv Trusta	847,71		947.15			-	3.28	-		4.75	952.34
Hourty movements											
Open 9.00	10.00	11.0	12	00 1	3.00	14.00	15.00	18.10	High	Vday (.ou/day
-SE 100 3048.6 3055.	3056.0	3057.	5 3060	D.E 30	956,9	3056.8	3063.4	3085,8			3046.5
-SE MAD 250 33427 3547.	3549.9	3350	7 3354	2.6 30	354.3	3554.5	3357.7	3364.7			3342.7
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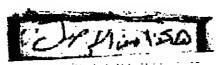
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FINANCIAL TIMES FRIDAY MARCH 17 1995 *	WORLD STOCK MARKETS	A/c High Long
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GUEST. FINANCIAL TIMES

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	245 pm March 16 NYSE COMPOSITE PRICES	NASDAQ NATIONAL MARKET 230 pm March 16
F-18	Continued from previous pages A	The control of the
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Dow hits new high as rate fears ease

Wall Street

US shares rose to fresh record highs early yesterday after-noon as bonds soared and a spate of economic data indicated that another interest rate increase may not be necessary to slow the economy, writes Lisa Bransten in New York.

By 1pm the Dow Jones Industrial Average wes 28.36 higher at 4,066.73. The Standard & Poor's 500 climbed 3.05 at 494.93, and the American Stock Exchange composite gained 0.97 at 455.75. The Nasdaq composite rose 1.65 at 809.03 Trading volume on the New York Stock Exchange

NYSE volume



3 8 7 8 9 10 13 14 15 16

came to 197m shares.

Last month's consumer price index rose 0.3 per cent, which was e slightly higher rate of increase than has been seen in recent months but in line with forecasts from a consensus of

More encouraging to the market was data showing that the rate of increase on home construction was slowing. Also there was a survey by the Federal Reserve Bank of Philadelphia that indicated a deceleration of business activity among manufacturers along the northern part of the Atlantic sea-

Another positive note was struck by a stable dollar. Although the greenback slld in early trading, it bounced above late Wednesday levels later in the morning and stayed there through the early afternoon. US Shoe was \$% higher at

\$25% after the specialty retailer announced it would sell its business to Nine West.

Nine West shares increased \$% at \$29%

Depositary American Receipts of Luxottica, the Italian maker of spectacle frames that had sought to buy US Shoe for its Lenscrafter business, fell \$1% to \$32% after the US company rejected Luxotti-

Shares in RJR Nabisco dropped \$% at \$5% after Kohlberg Kravis Roberts gave its remaining 8 per cent of the company's shares to the recently ecquired Borden, which is expected to sell the stock to raise cash.

Several paper companies lost ground on reports that an analyst at Merrill Lynch had lowered the rating on the stocks from "above average" to "buy". Stone Container dropped \$11/4 at \$20. Weverhauser lost \$7/4 at \$37%, Mead was off \$% at \$51% and Westvaco fell \$% at \$38%.

Consumer stocks, regarded as e hedge against a slowing economy gained more broadly than cyclical shares according to Morgan Stanley Indices of those sectors. The consumer index gained 0.6 per cent while the cyclical counterpart was up only 0.2 per cent. Among the largest gainers in the con sumer index were Coca-Cola. up \$11/4 at \$581/4, Medtronic, \$11/4 at \$66%, and Colgate Palmo-

live, \$1% at \$67. Gencorp rose \$% at \$12% after reporting stronger first quarter earnings than many analysts bad projected. The company's earnings of 22 cents per share were 5 cents higher than the mean estimate.

Canada

Toronto was mixed as strength in a number of sectors offset sharp losses in gold and precious metals.

At midday, the TSE 300 index was up 2.28 at 4,221.12 in volume of 34.6m shares worth CS397m. However, declines outstripped advances by 285 to 266 with 286 issues unchanged.

Precious metals were down 160.23 to 9,465.42 on weak gold prices and profit-taking. Barrick Gold fell C8% to CS32% and Placer Dome sank CS% to CS30%. The losses were countered by gains in banking, consumer products, industrials and real estate. Northern Telecom rose C\$1% to C\$53%.

Buenos Aires gains 3.8%

Argentine blue chips posted gains of 3.8 per cent at midsession with tax laws, passed by the congress on Wednesday, serving to steer the market

back on to an upward path. The Merval index gained 12.96 to 351.45, more than erasing the effects of Wednesday's profit-taking which followed a three-session, 33 per cent surge after the loan agreement with the IMF. Blue chips were still, however, 33 per cent down on the levels prevailing when Mexico devalued its currency three months ago.

Among the biggest blue chip gainers, lpako, the petrochemical company rose 8.2 per cent and Banco de Galicia added 7.8 per cent. Tabacal, the tobacco group, jumped 7.6 per cent, Sevel, the carmaker, gained 7.3 per cent and Molinos, the foods giant, was 6.3 per cent higher.

S Africa sees correction

Johannesburg saw a correction from Wednesday's futures driven levels to end

Golds were pressured by a strong rand and an easier bullion price, pulling them back from the highs reached on the back of Wednesday afternoon's futures close-out.

Industrials regained some of the ground lost during the previons session, supported by

FT-ACTUARIES WORLD INDICES

the national budget which was seen as encouraging foreign investment with the scrapping of non-resident shareholder

tax from October 1. The overall index, recalculated to tucinde almost all market capitalisation, was 3.0 softer at 5.274.2, industrials gained 32.4 at 6,649.8 and et 1,495. De Beers fell 150

cents to R86.

market movements yesterday. writes our Markets Staff. in early trading, traders were encouraged by the chance of a German rate cut, on the basis of a newspaper interview with the Bundesbank president. Mr Hans Tietmever. Those bopes were disap-

Interest rate hopes dominated

pointed in the middle of the day when Buba left key rates unchanged. But in the afternoon, markets rallied on the back of economic data which suggested that a US interest rate increase was less likely. PARIS jumped 2.7 per cent in

reaction to US influences, and to a pro-European speech from Mr Jacques Chirac, the main presidential candidate. But the gains among leading stocks masked a sharp plunge in the French stats-owned bank, Credit Lyonnais. The CAC-40 index ended the

day 47.16 up at 1785.76. CL tumbled FFr17 to FFr263, its low of the year and down from FFr856 a share in February, 1994. It was announced that three people were in custody as part of a fraud investigation into the affairs of one of its subsid-Meanwhile Alcatel Alsthom bounced FFr19.30 to FFr426 as

the ousted chairman, Mr Pierre Suard, publicly declared his, and the company's, innocence in relation to charges of over-

Pernod Ricard, the drinks group, added FFr7.20 at the risk that the market

FT-SE Actuaries Snare Indices THE ELIROPEAN SERIES Open 10.30 11.00 12.00 13.00 14.00 15.00 Diose Hourty changes FT-SE Eurotrack 100 1207.83 1208.44 1207.94 1240.94 1235.90 1234.15 1235.95 1248.54 FT-SE Euroback 200 1335.14 1336.14 1334.94 1337.93 1382.51 1332.89 1334.04 1336.88 Mar 15 Mar 14 Mar 43 May 10 Mar B

ther 100 - 1745 St. 200 - 1942 St Lowiser: 100 - 1232 St 200 - 1729 St † Partie

FFr332.20 despited some concerns over the group's inten-tion to make foreign acquisitions worth between FFr3bn and FPr5bn. And Elf Aquitaine, due to hold a presentation to analysts late yesterday, gained FFr11.20 to FFr377.20.

MILAN finished firmer but off the day's highs after Mr Lamberto Dini, the prime minister, narrowly survived the parliamentary confidence vote and won approval for the 1995 interim budget.

The Comit index rose 5.45 to 602.69 while the Mibtel index finished 148 ahead at 9,661. having peaked at 9,751 on short covering ahead of today's close of the March account. Mr Andrea Ruggeri at Gold-

man Sachs commented that while market fundamentals were positive, he believed that the valuation was not particularly ettractive and Italy would deliver returns this year below the European average. "The political situation may have improved today, but nothing has really changed in terms of

involves, and so I am not particularly bullish."

Telecommunications issues were the day's main beneficiaries, with Mr Dini's win improving the chance that the sector would be privatised on schedule. Stet gained 1.135 or 3.1 per cent to L4,447 and Telecom Italia was L127 or 3.4 per cent higher at L3,918.

reacted, then rose again, before the Dax index closed the afternoon at an fbis-indicated 2,016.15, up 20.93 on the day. Recent disaffection with cyclicals remained, to an extent. There were outperformers in banks, chemicals and retailing, with carmakers relatively subdued and engineers

PRANKFURT recovered,

Deutsche Babcock fell another DM3.50 to DM159. down 15.6 per cent since the end of last month against a 4.1 per cent fall in the Dax. Mr Theo Kitz, an engineering analyst at Merck Pinck in Düsseldorf, said Wednesday's results produced earnings below

Cuts in import duties and

rises in sectors like textiles,

cement and steel brought down

prices of Reliance Industries,

Associated Cement and Tata

1.9 per cent to 3,362.04, having

picked up from a midday low

of 3,286.13 after rumours of the

release of a keeply awaited

report on the reintroduction of

badla, or carry forward trade,

in thin volume as investors

remained concerned about the

interest rates. The composite

outlook for the US dollar and

KUALA LUMPUR was mixed

triggered renewed buying.

The BSE-30 index fell 37.15 or

Iron and Steel.

EUROPEAN EQUITIES TURNOVER Monthly total in local currencies (bn) Jan 1995 60.31 23,21 22.75 11.16 11.26 10.20 152.25 29.57 174.08 99.98 44,176 125,64 54,807 27.30 26.20 26.46 1,172.56 23,48 1,086.13 124.04 1,022.72 105.26 18,99

Nordic countries feature for the first time in the Euronormic countries leature for the first time in the European bourse turnover rankings, and the smallest of them produced the biggest individual gain in February, says Mr James Cornish of NatWest Securities, which produces the figures. Finland's 25.7 per cent increase in turnover compares with an average fall of 3.5 per cent for the 12 countries involved. It came in parallel with a 4.1 per cent foll in the Health and the salling seams in how hear fail in the Hex index and the selling seems to have been domestically-led, with London's screen-based Seaq International market producing a gain of only 16 per cent on the month. Germany came second to Finland, np 9.3 per cent, again on a big fall in share prices. The biggest drop in turnover came in Sweden, down 24.1 per cent after the rise in capital gains tax at the beginning of the year produced "spikes" in turnover – in December, as those affected by the tax took profits in advance, and in January as the same investors bought back into the market.

producers were upbeat on 1995 ahead at 2,491.7. prospects yesterday, and this SBC led the ba seemed to be reflected in

Preussag, up DM8 et DM442. ZURICH was led higher by

However. Germany metals and the SMI index finished 16.7

SBC led the banks ahead as investors put Wednesday's sharply lower 1994 results behind them and turned to a renewed demand for banks, more bullish outlook for 1995.

US economic data outweigh Buba's standstill SFr364, with strong demand noted from one Zurich bank.

Brown Boveri picked up SFr12 to SFr1.114, supported by news that ABB was to merge its railway activities with Daimler Benz, and that ABB was to receive \$900m as part of the deal. An analyst described the move as a good strategic decision for an underperforming division.

STOCKHOLM slipped on continuing concern over the dollar and news that some banks were raising interest rates. The OMX index fell 4.18 to 1.131.46 in turnover of SKr2.5m. The defence group, Celsius plum-meted SKr17.50 to SKr127.50 after forecasting lower profits for 1995. Celstus forecast a 1995 figure of less than SKr735m compared with a 1994 profit of SKr904m.

Modo, the forestry group exposed to the US dollar, fell SKr8 to SKr334.50 as investors took profits following company figures in line with forecasts.

AMSTERDAM featured higher-than-expected profits from Hoogovens, which hit an intraday high of Fl 74.50; then analysts noted e one-off tax gain which left net profits in line with expectations, and the shares ended FI I lower at F169.30 as the AEX index fell

Written and edited by William Cochrane, Michael Morgan and

ASIA PACIFIC

Nikkei down 1.9% as Karachi falls to 16-month low

Tokyo

A fall in the dollar against the yen triggered profit-taking and the Nikkel index plunged, led by e decline in the construction and electrical sectors. writes Emiko Terazono in

The Nikkei 225 index fell 311.15, or 1.9 per cent, to 16,353.68 after a low of 16,308.55 and a high of 16,632.82. Profittaking after Wednesday's 2.6 per cent rise depressed prices at the start of the session, while subsequently, investors began selling high-technology stocks and construction companies as the dollar weakened below the Y90 level.

Volume totalled 392m shares on active selling and buying hack of stocks by corporate investors trying to lock in profits ahead of the fiscal year end.

The Topix index of all first section stocks lost 18.66 to 1,303.82 and the Nikkei 300 declined 3.54 to 240.73. Losers overwhelmed gainers by 853 to 158, with 147 issues remaining in London, the ISE/Nikkel 50

index slipped 0.45 to 1,063.27. Rising concern over the health of Crédit Lyonnais, the French banking group, epressed investor confidence. in the afternoon, the bank's Japanese arm denied rumours that it had incurred massive losses from unrecoverable loans to Singapore, and traders said buying by insurance companies and banks helped to underpin the market.

According to the Japan Securities Dealers Association, net purchases of equities by life and non-life insurance companies totalled Y762.5bn in February, the ninth largest on record, due to sluggish demand for loans. Overseas investors bought a net Y1,409.4bn, while agriculture related financial institutions sold a record

Y585.6bn. On the trading floor, broken ages were the hardest hit sector of the day, falling 2.7 per cent. Selling pressure has been

debacle. Nomura Securities lost Y50 to Y1.590 and Daiwa Securities declined Y30 to Y1.010.

Individual investors tried to cut their losses on construction stocks bought on the recon-struction theme following the earthquake. Sumitomo Construction, the most active issue of the day, fell Y35 to Y635, and Fudo Construction declined Y55 to Y830.

in Osaka, the OSE average fell 258.94 to 18,194.08 in volume of 629.8m sbares. Hightechnology shares and pharmaceuticals lost ground on profit-

Roundup

Trading was subdued in much of the region. KARACHI, however, plunged below 1,700 to a 16-month low as investors became unnerved

by a strike call from local businessmen protesting at the recent violence in the city. The

2100

The Karachi 100-sbare index tumbled 42.63, or 2.5 per cent, to 1,695.57. Prices started to slip after the killings of two Americans on March 8 and many dealers believe the trend could to continue until law and order in the city improves.

BOMBAY was lower for econd consecutive session after Wednesday's budget as investors sold shares in compa

Bank, produced what was seen coming covered warrant issues also dampened the market. The 943.88, with some analysts sug-Hang Seng index closed 17.46 gesting that the revival of elec-tion talk after the return of the down et 8,347.75 in turnover of prime minister, Mr Mahathir

trip could trigger fresh speculative interest SEOUL was flat as some demand re-emerged after earlier profit-taking and the composite index added 0.45 to

Mohamad, from an overseas

Tackwang Industry hit an all-time high of Won669,000. the highest price ever recorded on the Seoul bourse. HONG KONG was lower as

the market digested the previof the session. ous session's 270 point gain and speculation about forth-

HK\$3.6bn after HK\$4.7bn on SYDNEY ended firmer with

buying in a few blue chip issues continuing to support the market despite some weakness in the resources sec-

The All Ordinaries index closed 4.6 higher at 1908.9. Blue chips, including News Corp, National Australia Bank and BHP lifted the market sarly and supported it over the rest

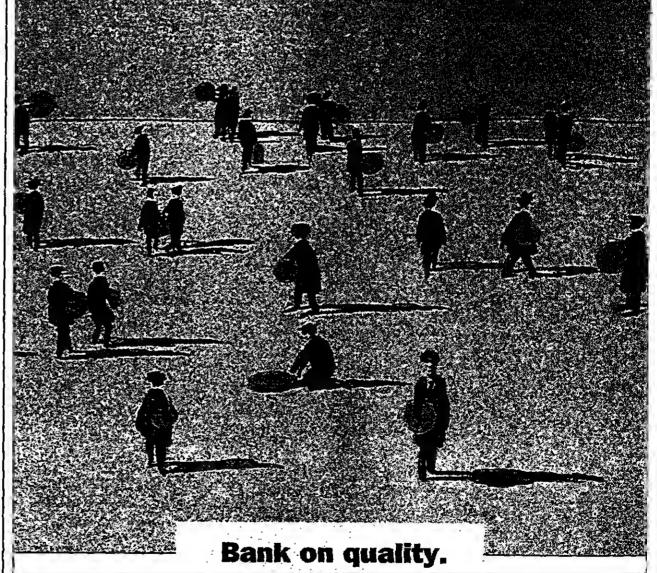
WELLINGTON gained ground after after the Reserve

as a hawkish statement on inflation. The NZSE-40 capital index rose 21.72 to 1.974.72, following a 15-point rally in long

BANGKOK ended lower despite recovering some ground later on buying of telecommunications stocks. The SET index closed down

16.65 at 1.135.69 after falling as low as 1,123.68. A moderate 55.4m shares worth Bt3.9bn changed hands. MANILA closed higher on

buying from local investors, boosted by tentative overseas support. The 30-share index finished 30.93 up at the day's high



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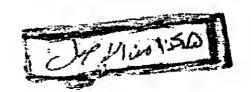
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week, she may have e point. Chernin was aiming the seminar at single employees who, she says, often find themselves alone, unsupported and confused about cultural expectations. She said: "They think that because we speak the same lan-guage and have the same history, there is nothing to learn. In reality they find that there is indeed a culture shock, the language is not entirely compatible and this can lead to problems for some."

A common reaction, she said of young, single US expatriates in London, was to deal with loneliness by spending more time et work. Sometimes this led to increased pressure, resulting in illness and, in the worst cases, requests to go home.

So what problems do Americans have when they get to the UK? If nar are anything to go by, they may

JOBS: The special relationship may be under strain among US expatriates in London

Overwrought, overworked and over here

range from petty inconveniences such as smaller fridges in their flats to the not much more serious pain of having to buy drinks on your hirthday insteed of having them

bought for you. The most depressing experience was to hear American views of the English. They think the service is terrible, that the food is full of monosodium glutamate, and that English as opposed to American English is a foreign language.

Their popular (and most feared) image of the typical English male appears to be that of a hraying expublic schoolboy who adheres to a Byzantine social class structure. The only notable comment about life outside London was that sluggish service in the capital ground to a snail's pace outside the M25. Few appeared to be contemplating trips to the regions.

Their idea of experiencing British life appeared to involve trips to Ascot or Henley during the season or a picnic at Glyndbourne. There little appreciation of regional subtleties. One opeaker admitted that it took him months to spend any money because he kept translaing everything was too expensive. Views about the British at work were equally enlightening. They ranged from the observation that in London it didn't matter what time It was when you turned up for work to an expression of disappointment that it was difficult to enforce workplace discipline "because you can't hold the threat of being fired over

One speaker said she needed a translator to explain the differences and nuances of the language when she arrived. Another noticed the tol-erance of smokers. "If you are a smoker it's as if you have died and gone to heaven," he said. In terms of smoking restrictions, he put the UK hetween five and 10 years behind the US. "But you can see

people'e heads".

too," he added.

At least the seminar, which was ettended by one or two natives, led to a frank exchange of views. Most of the expatriates seemed in general agreement that the English class system is impenetrable. So is hetween the amateur and profes-

things closing in on smokers here

sional codes of rughy. Chernin admitted that she had kept the seminar and the speeches short deliberately because young North Americans have short attention spans. This is the television gener-

ation," she said. Not all the comments about the British way of life were negative. Among the positive ones were praise for the Royal Mail and the cultural diversity of London. The main difficulty of the US expatriates seemed to be one of integrating with the natives.

t was clear from the meeting that the gulf in understanding between the two cultures was a real source of anxiety, at least initially, for some US employees arriv-ing in the UK. What also seemed disturbing was the prominence of national stereotypes in the perceptions of respective nationals. Can stereotyping affect working relations in companies with multinational workforces? We might also begin to ask: what price the special

relationship in the workplace? One report published last year went so far as to soggest that

Americans had more in common with the French. If ever there was a case to illustrate that national differences can matter in the workplace, it is a current law suit filed in New York by a British securities trader who was sacked by the Cana-

dian Imperial Bank of Comme The trader, Russell Deakin, is alleging that he was subjected to a string of anti-British remarks by his former boss, George Courtadon, a Frenchman. Deakin says Courtadon was rude about British dress sense, the looks of British women and about English soccer hooligans.

It is difficult to assess how many of the national differences really matter. One big difference between the Americans and the British is how the former seem to have anxieties about everything. This was reflected in a piece of hlunt advice from a British speaker who pointed to the American reputation for whining.

"Complaining is very much part of the American culture but it is not part of ours," he said. He told them: "There are times when you will just have to button your lip. Complaining is the one thing guaranteed to make the hackles rise in a British person. Whatever you do, don't complain."

He conceded that there seemed to be xenophobically-inspired desires hy both nationalities to caricature each other.

Chernin says that about 30 per cent of current US expatriates in Europe are single. The numbers are growing, suggesting that the prob-

lems may get worse. Chernin, who held the seminar in association with Karen Deane Relocations, a London-based relocation company, said she might organise others in future if there was a demand. Anyone interested in exploring further could call her on 071 591 0763.

 When full-time directors are borrowed from their employer to be part-time directors of another company, who should pick up the fee, the director or the full-time employer? This delicate little topic was touched upon in the findings of a survey recently carried out by Monks Partnership

The survey of 217 predominantly larger UK companies found that

they were divided about who should retain fees. Some 44 per cent of industrial companies normally permitted their executives to retain fees, but only 26 per cent of financial organisations were so generous.

What seemed most clear from the report was that there was no hroadly accepted policy ovar the recruitment and pay of non-executive directors. Some companies impose limits on how much pay their executives can retain from ontside appointments and a small number limit the number of outside

The research discovered that fees for non-executive directors tended to be fixed in an arhitrary way, without the use of pay formulas. Many companies seem to update fees once every two years, often basing fee size on that paid by other companies of similar stature.

Without broad agreement on how these appointments should be han-dled, particularly on the number of permitted appointments and fee retention, and given the increasing responsibilities of non-executive directors, there may be a danger that split commitments will veer too far from the full time employer - or that the borrowed executive will be too husy boosting his

Richard Donkin

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Please teply in the first instance to Colin Barry, the Company's Advisor in this matter, at Overton Shirley & Barry Limited, Prince Rupert **OVERTON** House, 64 Queen Street, London EC4R 1AD. Tel: 0171-248 0355. Fax: 0171-489 t102.

INTERNATIONAL SEARCH AND SELECTION

BANK FOR INTERNATIONAL **SETTLEMENTS**

International Lawyer

Basle

This is an unusual and interesting opportunity for a 3 to 5 year qualified lawyer to work in Switzerland for a prestigious international organisation.

The Bank for International Settlements is an international financial institution established in 1930 to promote co-operation between Central Banks. Its chief functions include: providing a forum for discussing international monetary and financial issues; offering banking and investment services to Central Banks and international Institutions; acting as trustee or agent in regard to international financial settlements; and conducting monetary and economic research.

The bank's established legal service is essentially an in-house consultancy. It presently comprises five lawyers of Swiss, French, German and US origin. The team now wishes to recruit a UK qualified lawyer. The role is both fascinating and diverse and includes elements of banking, finance, commercial, private international, comparative and public law.

Candidates will be 3 to 5 years qualified, preferably working in the field of international banking law. They will have top academic credentials and will ideally have worked within Continental Europe. Fluency in French and/or German is essential.

Taylor-Root

LEGAL RECRUITMENT ADVISERS

For further information and a confidential chat, please contact Gavin Burgess on 0171 936 2565 (01727 847445 home) or write to Taylor Root, Ludgate House, 107 Fleet Street, London EC4A 2AB. (Fax 0171 936 2463). Taylor Root are handling this assignment exclusively.

TREASURY SALES

to £70,000 + Bonus & Banking Benefits

Our client is one of the world's most respected international banks, with an ective presence in most of the major financial centres and a particular reputation for the quality and prominence of its Treasury activities.

There is now an opportunity within the Treasury Sales team in London for an additional experienced Dealer to market FX & Money Market products, both on & off balance sheet, to corporetes and financial institutions in France and/or French speaking European countries. The successful candidate is likely to have the

following profile:

· Fluency in both English and French;

 A profitable track record in Money Market and Foreign Exchange Sales, based in the City of London and/or other major financial centre;

· Good understanding of currency options, capital markets and derivatives products;

 Wide ranging contacts with French corporates and financial institutions;

Age 28-35.

If you have the necessary skills and experience and are willing to meet the challenges of this role, please call or write to Sean Carr or Richard Lyons. All applications will be treated in the strictest confidence.

Telephone 0171-623 4075 Facsimile: 0171-626 3172



Search & Selection Limited

Astral House. 125-129 Middlesex Street London El 7JF

Price Waterhouse



Human Resources Manager

Warsaw

Price Waterhouse has been operating in Poland for five years. Our office employs over 250 staff in three locations in Poland and is still expanding in to be a dynamic person with very good interperwe are looking to recruit a strong Human

ment, recruitment, training, control of appraisal procedures and all issues connected with Polish labour code, etc. The successful candidate will report directly to a Warsaw Partners' committee. We are looking for an excellent communicator

with drive, ambition and a desire to contribute to the operational growth of the business. You need order to serve our international and Polish clients. sonal and organizational skills. Exposure to multi-To ensure effective management of our personnel national environment and Polish language skills

ideally, the position calls for a University The appointed individual will be responsible for graduate with at least five years of professional Price Waterhouse Poland personnel policy develop- experience in the human resources area. However, candidates with less experience but high potential who wish to work in a multinational environment will be considered. Further training and develop-

We will offer a highly competitive comp package commensurate with the importance of this position. In addition, you can take advantage of the excellent career development opportunities that exist with this global

If you meet our requirements please apply quoting reference number ESS/398 to: Executive Search & Selection Warsaw Cornorate Centre

00-688 Warszawa

TREASURY & CAPITAL MARKETS

MANAGER,

STRATEGIC

DEVELOPMENT

c.£35,000 PLUS CAR

AND BANKING BENEFITS

Markets Division is rapidly emerging as one of the most innovative and effective operations in the industry and has dnubled in size in the last two years.

A Senior Analyst is now needed to join its recently formed Strategic Development leam. The role requires an individual to analyse the profitability. business organisation and strategy of this expanding operation. Underlaking rigorous external analysis of the Treasury and Capital Markets customer base, markets and competition

should lead to incisive recommendations for increasing profitability and market share.

The successful candidate will have the ability and clarity of thought to prepare papers for Senior Management to whom recommendations must be sold with confidence and enthusiasm.

A graduate with an MBA and a minimum of 4 years' experience of wholesale finance, you will also be analytical, creative and capable of dealing with a heavy

The Royal Bank of Scotland's Treasury & Capital and varied workload. Strnng communication skills, iniliative and a pro-active approach to work are pre-requisites. Excellent PC skills, including proficiency in the use of spreadsheet packages, are essential.

This position will report to the Head of Strategic Development. Treasury and Capital Markets is a meritocratic environment where there is excellent scope for personal and professional development

To apply, please forward your CV to Victoria

for high performers.

LONDON Wallis, Human Resources Department, The Royal Bank of Scotland plc, Waterhouse

Square, 138 - 142 Holborn, London EC1N 2TH. Committed to Equal Opportunities





The Royal Bank of Scotland WHERE PEOPLE MATTER



The Nippon Credit Bank, Ltd.

The Nippon Credit Bank, global financial engineer and vital member of the worldwide financial community, is seeking to recruit three professional Marketing Officers and one Financial Relationship Officer to focus on expanding It's customer base throughout Europe. Due to their commitment both to capturing new business and enhancing the service given to customers the requirement is for experienced individuals possessing an depth knowledge and understanding of each country's politics, economics and financial business environment.

Marketing Officer

Geographical areas to be focused on are South Western Europe tespecially Spain and Portugal), Middle and Eastern Europe (tocluding Germany and the Czech Republic) and Scandinavia (including Finland and Iceland). Candidates must be bi-lingual and possess experience of marketing to one of these geographical areas, You will have concentrated oo Corporate, Sovereign and

Relationship Officer

Applications are sought from a Financial Institutions Relationship Officer to concentrate on maintaining and developing relationships providing Treasury and Capital Markets services to Banks, Insurance Companies, Building Societies, Fund Managers and other non-bank Financial Institutions throughout Europe. Candidates will possess relevant experience, with the ability to develop innovative soludons within todays markets.

The Nippon Credit Bank are offering above average renumeration and benefits packages and scope for the successful candidates to develop their potential.

For further information please contact or write in strictest confid enclosing full curriculum vitae to Helen Stewart.



Joslin Rowe Associates Ltd Bell Court House 11 Blomfield Street London EC2M 7AY Telephone 0171 638 5286 Facsimile 0171 382 9417 A Member of the Blomfield Group

RECRUITMENT CONSULTANTS GROUP 2 London Wall Buildings, London Wall, London EC2M 5PP Tel: 0171-See 3588 or 0171-588 3576

Fax No. 0171-256 6501 Career appointment. Opportunity to take management responsibility and to review procedures in a bank which is expanding rapidly



MANAGER OPERATIONS - BANKING

CITY

c.£36,000 + CAR + BONUS

MAJOR EUROPEAN BANK WITH GLOBAL PRESENCE Our client has a sophisticated product range, with a strong presence in trade, commodity, project, and

structured finance as well as more traditional corporate banking. The successful applicant will manage three teams of experienced technicians in loans administration, documentary credits and customer payments/reconciliations and there will be a strong interface with the Treasury and Commercial Banking teams. Applicants must have 5+ years' banking operations experiance, excellent PC skills, a broad product knowledge and the accounting skills to react to and understand the impact of the business on P&L and the bank's balance sheet. We seek a confident, ambitious manager who will generate ideas and find solutions across all areas of operations. Initial remuneration is negotiable c.£36,000 + car/allowance, bonus Applications in strict confidence quoting reference MOB5027/FT to the Managing Director, CJA.

EUROBOND SALES

Salesperson required for placement of international securities with institutional investors. The successful candidate will have first-hand knowledge and experience of selling fixed income bonds, floating rate notes and interest rate/asset swaps to sophisticated fund-managers, Knowledge of emerging markets and foreign languages on advantage. Professionalism and a high level of motivation are essential.

He/she will be part of a small team working for a quality European bank in the City with a broad and varied product base, a clear strategy. and proven management commitment. Remuneration negotiable.

Interested candidates should send a comprehensive CV (including salary and benefits package) to: Box A5063 Financial Times, One Southwark Bridge, London SEI 9HL

APPOINTMENTS WANTED

Italian Investment Banker, 27

2 years experience in Corporate Finance, 1 year experience in Capital Markets and derivatives in top US Investment Bank in London.

Italian/English bilingual and French fluent, numerate with excellent communication skills, seeks high revenue generating position either in London or Milan. Fax: +44 171 584 9310 Tel: +44 171 589 0750

Project Management - Engineer, MBA

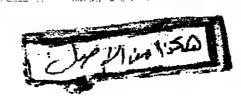
seeks new challenges in short or long term project management contracts internationally. English, Russian, Ukrainian, Polish, Italian. Telecommunications expertise.

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Stephanie Cox-Freeman on +44 171 873 3694





MANAGER(S) CORPORATE LENDING

Dublin

Our client a major Irish Financial Institution is a market leader in the provision of corporate and investment banking services to the Corporate Sector in Ireland from its Dublin headquarters.

MERC Partners has been retained to assist in the recruitment of Corporate Lending Manager(s) to augment an existing highly

successful team.

The person(s) appointed will be responsible for the management of specific portfolios and on-going client

Candidates aged between 28 and 32 will be graduates and are likely to have either a Masters or Professional qualification. They will also have gained at least 5 to 6 years experience in Corporate Lending. Successful candidates will possess strong credit,

marketing, negotiation and communication skills. Excellent career and personal development prospects together with an attractive remuneration package will

Please write - in strict confidence - enclosing a carriculum vitae and quoting reference number 95864, before April 5th 1995, to: MERC Partners

Richview Office Park Dublin 14 Facsimile No: +353 1 283 0650

Selection & Human Resource Consultants PARTNERS



GLOBAL INVESTOR RELATIONS AND FINANCIAL INFORMATION COMPANY

We are a leading financial data company, with global operations serving an extensive international client base. Due to expansion two new package,

UK SALES EXECUTIVE

The successful candidate with he degree educated, goal orientated and have an understanding of international financial markets. Candidates will be expected to travel frequently within the Uk and their work will

RESEARCH ASSOCIATE We seek a dynamic graduate with good research and commu skills. Potential candidates should also be detail orientated, analytical and computer literate. Languages, including Italian, would be an

London W1P 3LD

se send your CV marked "Research" or "Sales" to: TECHNIMETRICS INC. A Knight-Ridder Company 84 Newman Street

V.P. Equity Operations 260,000 + BONUS

mai Bank aceks to hire a Senior Manager Leading international bank seeks to pure a sensor samager with experience in UR and international Equity settlements, Stock Loan/Borrow, Corporate Actions and Dividenda, coupled with proven management skills. This high profile role will involve instanging various settlement areas along with high level involvement in systems implementation and strategic and business development. Aged to 36 years.

Compliance Officer

An ounstanding opportunity exists within this leading US investment Bank for a degree educated individual with 3 years' experience of SFA compliance. Duties will include reviewing and drafting compliance procedures, monitoring trading activities and conducting both internal and external investigations. The successful individual will possess a strong knowledge of SFA rules and regulations.

Account Manage Te 250,000

Manager presenting a proven track record of marketing to both top UK and Multinational Institutions to join the iding Credit Division of this premier Intern dui candidate will be either graduate or

Futures Business Development

£30-40,000 contribute to formulation of market development strategy for Europe and to manage u's implementation in a large company environment. Along with background in marketing you will need a strong theoretical and technical knowledge of Futures and Options, with European because wills observed.

Joslin Rowe Associates Ltd Bell Court House 11 Blomfield Street London EC2M 7AY Telephone 071 638 5286 Facsimile 071 382 9417 A Member of the Blomfield Group

THE WOLVERHAMPTON & DUDLEY BREWERIES, PLC

Finance Director £100k + bonus + sbare options

The company is the largest as well as one of the most profitable regional brewers, with a strong portfolio of brands, a retail estate of over 900 pubs, 52 restaurants and 8 hotels.

- THE TASK combines the direction of a highly professional finance function with an authoritative input into commercial and strategic development. Enhancing operational management's appreciation of the value of rigorous analytical and financial plunning disciplines is a key challenge.
- THE NEED is for a chartered accountant or MBA, in the age range 35-45 with intellect and analytical skills. An excellent understanding of public company accounting gained at a corporate centre or in a corporate advisory role is essential.
- . A PRIMARY REQUIREMENT is the ambition to take on general management responsibility at an early stage. Residence in the locality will be required.

Write in confidence, enclosing a Curriculum Vitae and quoting reference T7822 to:

Peter Ohlson, Tyzack & Partners 10 Hallam Street, London W1N 6DJ. Fax 0171 631 5317

Controller-Financial Planning

London

£45-50,000 p.a. + Bonus, Share Options, Car, etc

The objective of this Abillion turnover market leader is to supply a wide range of the highest quality premium brands to its

A rare opportunity to join the organisation at this level has recently arisen. Reporting to the Managing Director of one of the most significant business units, with a strong dotted line into the Central Finance Function, you will be responsible for:

- Providing key financial and commercial analysis of all activities (current and proposed) for the Management Team.
- All aspects of short, medium and long-term planning. • Strong and full financial contribution into both day-to-day business decisions as well as strategic marketing discussions and plans.

You will be a Qualified Accountant from a blue-chip background, with previous international experience being an advantage. You must clearly demonstrate experience of baving positively challenged existing practices and proposed actions as well as subsequent implementation of clear improvements. You must evidence success in driving a business forward through the finance function. Additionally you will be:

- A strong team player able to integrate rapidly and credibly with the Management team.
- Commercially astute and forward-thinking with the easy ability to influence and persuade.
- Pro-active in seeklog new and enhanced methods of adding value at the bottom-line.

Previous experience of working with Sales and Marketing would be advantageous. A positive attitude towards a fast moving and changing environment is vital.

If you would like to discuss this challenging opportunity further please write to Karen Wilson at Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, Loodon, EC4A 1DY enclosing a recent CV and note of current salary details quoting Ref. HKW/8201/FT.



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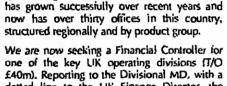
PAULIER

DIVISIONAL FINANCIAL

City

+ bonus + car

c£38,000



broker, whose profitable network of operations

spans the globe. A market leader in the UK, it

one of the key UK operating divisions IT/O £40m). Reporting to the Divisional MD, with a dotted line to the UK Finance Director, the successful candidate will have overall functional responsibility for fourteen business units across the country. The brief will encompass divisional budgeting and reporting, performance monitoring and analysis, working capital control and capital expenditure appraisal. You will also support the MD and other senior business managers on strategic visiting the regional offices regularly and

Our client is a top international insurance helping them to achieve their commercial

Candidates must be graduate, qualified accountants, ideally aged 28-35. You should have at least three years PQE in a sophisticated commercial organisation and a record of success in supporting business decision making. A background in a multi-branch service group would be advantageous but is not essential. In addition to sound technical skills, we are looking for ambition and leadership combined with commercial acumen, diplomacy and credibility with top business managers.

Please write, in confidence, with full career and salary details, explaining how you match our client's requirements to Paul Carvosso, MSL tnternational Limited, 32 Aybook Street. planning exercises and other financial projects, London W1M 3JL. Please quote reference

Excellent package

Candidates should be qualified accountants with a

and Commodity finance experience, coupled with

minimum of 2-3 years post qualification experience in a

managerial position within a finance function. Trade

Central and Eastern European accounting skills will be

prefemble although not essential. More importantly,

the ideal applicant must have excellent commercial

This is an international position, and for the right

Remuneration will be tlexible depending on level of

detailed curriculum vitae (with current salary) to Stephanie Warren at Michael Page City, Page House.

experience. Interested applicants should forward their

39-41 Parker Street, London WC2B 5LH, or

individual, this role will offer variety, travel and

untivalled career progression within a dynamic

acumen, drive and self-motivation.

A. .. EXECUTIVE RECRUITMENT CONSULTANTS BIRMINGHAM GLASGOW LEEDS MANCHESTER 0121 454 0864 0141 240 7700 0113 245 4757 0161 635 1772

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Excellent package · London based Reuters is the leading international news and business Information organisation. Using the latest technology, we supply the global business community and news media with a wide range of products including real-time financial data, transaction systems, trading room systems, access to numeric and textual historical databases, news and news pictures. To meet the needs of our rapidly expanding Company, we are looking for recently-qualified ACAs to strengthen our finance team and undenake a variety of international project-based assignments.

The work will be demanding but intellectually rewarding, with a wide brief to provide effective, relevant and timely advice to senior management on a broad range of issues Responsibilities will include the evaluation of new opportunities as well as maintaining the integrity of our Internal control infrastructure.

These highly-visible roles are acknowledged as excellent entry points for outstanding professionals looking for moves into other areas of Reuters either in the UK or overse Successful candidates are likely to be 'Big Six' trained with impressive academic credentials and practical experience of working with medium/lerge International clients.

Experience within a computerised environment is essential, while involvement in special projects work would be an

In addition, candidates will possess outstanding communication skills, strong personal motivation and demonstrable commercial awareness. A readiness for considerable international travel is essential.

The career prospects are outstanding and the generous package on offer includes six weeks' hotiday, health cover and an opportunity to participate in the Reuter SAYE Share Option Scheme.

For turther information please contact, in strict confidence, Robert Walker or Paul Marsden on 0171-839 4444 during office hours. Alternatively, forward a brief resumé to Walker Hamili at 103 - 105 Jermyn Street, London SW1Y 6EE, quoting reference RW 1409.

Any applications submitted directly to Reuters by third parties will be forwarded to Walker Hamill. Reuters is an equal opportunities employer.

WALKER HAMILL **Executive Selection**

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A worldwide brief for exceptional, recently-qualified ACAs

INTERNATIONAL

FINANCE EXECUTIVES

CONTROLLER GERMANY

Strong Financial Manager for Mfg. plant. Responsible for accounting, standard & cost. Admin., taxes, legal and MIS Mfg. industry exp. US CAAP, CV to 15445 Ventura Blvd. #165 Sherman Oaks. CA USA or Fax 818 981 6505

INTERNATIONAL AUDITOR

 Essen Germany Pluent English/German any other language a big plus. 3-5 years exp. Conduct audits for all company subsidiary 30 sites Know U.S. GAAP. CV to

15445 Ventura Blvd. #165 Sharman Oaks, CA USA or Fax 818 961 8505

APPOINTMENTS WANTED

SWITZERLAND

DYTERNAL AUDIT MANAGER

NY ERIVAL AUTO I MATOCASEE

TO ESSIGNAL WHITE INSTITUTE OF THE STREET OF

Financial Analysts (India)

Based Bangalore

Highly Attractive Package

Our client is one of India's most successful and entrepreneurial multinational groups engaged in Spirits, Brewing, Engineering, Pharmaceutical and Petrochemicals with the majority of its operations in emerging markets. The group has an aggressive and ambitious growth strategy and this is a unique opportunity to join their dynamic Finance team.

The Position

 Support growth through improved financial planning and analyses for a variety of business sectors. Analyse financial and business

on operating performance. ◆ Undertake capital investment appraisals, competitor analysis, interpret

market trends and business reviews and present findings and recommendations to management at senior level.

information and prepare incisive reports

The Person

◆ Ambitious Graduate Accountant/ MBA aged 27-35. Financial planning and analysis experience with entreprenential and business flair.

 Strategic thinker. Excellent analytical and interpersonal skills are essential, along with the self confidence to challenge and influence at senior levels.

◆ Commercially assute and self motivated. Confident team player with hands on approach.

Interested candidates should write with a CV quoting reference FA540, stating current and expected earnings to, Mr Vinit Vedi at Withey & Vedi, Status Park Four, Bath Road, Heathrow, Hayes, Middlesex UB3 5EY Tel: 0181 754 1133 or Fax: 0181 754 0638

Withey & Vedi

A CONTRACTOR OF THE PROPERTY O

Finance Director

London/M1 corridor

Our client is a highly entrepreneurial international trading company with offices throughout Europe. Due to the change in senior management, they are now

hoping to relocate their head office from Eastern Europe to London, resulting in a need to recruit for a new Finance Director. Reporting to the divisional Managing Director,

tesponsibilities include: Preparation of monthly/yearly financial management

- reports. Preparation of consolidated yearly accounts for the
- Company and its subsidiaries. Implementation and development of an accounting
- software package for the company and its subsidiaries. Negotiation of trade and commodity finance facilities
- with the company's bankers. Manage all administrative and personnel functions of the company.

hy fax on (44) 71 405 9649.

organisation.

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Finance and Accountancy

London & Manchester

Excellent Salary, Bonus, Benefits + Car

Hoggett Bowers is widely regarded as one of Britain's leading Search & Selection organisations. We are distinguished by the scope and depth of our expertise in a number of sectors and

As a result of the continued growth in our Finance and Accoutancy practice, we seek Senior Coosultants for our

Candidates with experience of this specialist sector are most likely to be working within the recruitment industry and are now seeking greater opportunity for career development.

Undoubtedly, you will be of high intellectual capability with a good first degree, ideally coupled to an accountancy

Above all, you must share our uccompromising and passionate commitment to total quality and be able to translate these concepts into exceptional client service.

In return, Hoggett Bowers provides excellent training and career development and the opportunity to join one of Britain's most progressive Recruitment Groups.

To apply please send your Curriculum Vitae detailing salary package to Cindy Irvine, Managiog Director, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A tDY, quoting Ref. Cl/7692/FT



CHIEF FINANCIAL & ADMINISTRATIVE OFFICER

INTERNATIONAL SECURITIES

CITY BASED

c.£60,000 + BONUS + BENEFITS

- Diverse finance and operational management role with the European securides arm of a substantial and successful, North American based player, a leader in a oumber of markets.
- Challenging opportunity with a wide remit which includes responsibility for financial management together with IT and operational areas throughout Europe.
- Considerable potential and scope to upgrade and develop and to influence the future shape and direction of the organisation as it seeks to develop further its strong market position.

lease apply in writing quoting reference 89; with full career and salary details to:

Phil Bambridge Whitehead Selection Limited Lt Hill Street, London W1X 888

 Commercially aware, you should be highly motivated and energetic. An organised and disciplined manager with absolute financial professionalism.

banking/financial services.

 Well developed inter-personal skills, pragmatic with a 'do it now' mentality. Self reliant, but a proven team player.

Qualified accountant, probably aged mid 30's -

management gained ideally within the securities

mid 40's with a quality record of financial

industry but certainly in international

Whitehead



Executive Resourcing

Finance Director

SOUTH EAST

Our client is an international campany and a major player in its industry sector.

As Finance Director, you will assume responsibility for the full finance, accounting and treasury functions. Priorities will be to manage efficiently a busy department and ensure tight financial controls plus effective budgeting, planning, corporate financing and risk management. You will also be required to play a proactive role in all financial aspects of the management of the company, warking directly with other department heads.

A qualified accountant, you will have a proven track record af senior financial management in a truly international, multi-currency commercial environment. You must be

c £60,000 PLUS BENEFITS

capable at managing and developing the finance/treasury functions and be able to apply creative and practical solutions to ongoing and developing issues. You will be motivated by the destre to achieve and deliver results and have the appropriate interpersonal skills and presence to manage Internal and external relationships in what is o fast moving, challenging but rewarding environment,

Please send full personal and career details, including current remuneration and daytime telephane number, in confidence to Anne Routledge, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference AR1083 an both envelope

EUROPEAN FINANCE DIRECTOR

COMMERCIAL ROLE SPEARHEADING EUROPEAN DEVELOPMENT

WEST END

- · Leading quoted international group providing advertising and marketing services 10 a blue chip client base. Revenues of c£300 million with a strong UK and US presence and an expanding European network.
- · High profile role for a European group of five subsidiaries and seven associates. High level of project work, including strategy formulation, business development, business performance and acquisitions.
- · Probably aged early thirties, graduate qualified accountant or MBA. Solid financial skills and broad commercial experience gained within a consultancy
- Track record within a fast-paced, demanding environment and previous international experience an advantage. Language skills useful although not essential.

c.\$70,000 + BONUS + BENEFITS

- Bright, with an incisive and enquiring mind. Well developed interpersonal skills - able to persuade and influence. Strong commercial focus and analytical ability.
- Energetic, self motivated and proactive, must be flexible in approach and able to relate at all levels across the business. Keeo to contribute to business strategy, beloing shape the Group's future growth

ease apply in writing quoting reference 902 with full career and salary details to Susan Ryder Whitehead Selection Limited 11 Hill Street, London WTX 8BS



GROUP FINANCE MANAGER

North Sussex

With a turnover of c. £80m, our client is a fully listed PLC with significant interests in vehicle and equipment hire throughout the UK. Its track record of commercial and financial performance is impressive and they now wish to appoint a Group Finance Manager to their small head office management ream.

Reporting to the Group Finance Director and liaising with subsidiary finance teams, you will have a particularly broad remit encompassing statutory and management accounting, taxaoon and treasury. The role is hands-on and includes both the detail of group accounting together with a wider commercial input.

Candidates will be computer literate accountants, most probably aged mid 20's to £30 -£35,000 + Car + Benefits

early 30's, with a strong technical accounting background and working knowledge of consolidations gained either within the profession or industry. The ability to work on one's own initiative, achieve tight time schedules and pay good attention to detail, combined with excellent interpersooal skills are all prerequisites.

To apply, please send a comprehensive CV including remuncraton details and daytime telephone number, quoong reference CRR1295, to: Christopher Rose, Touche Ross Selection and Search, Mountbatten House, 1 Grosvenor Square, Southampton SO15 2BE. Tel: (01703) 334124.

MANAGEMENT CONSULTANTS

FINANCE DIRECTOR

FOOD AND DRINKS SECTOR

PACKAGE c.£50,000

 A genuine opportunity to make a significant contribution to this fast growing and ambidous company who benefit from the backing of a £multi-billioo parent

BASED LONDON

- The position will appeal to outstanding individuals who combine commercial acumen with financial skills and wish to move into General Management positions on an international stage within 3 to 4 years.
- Reporting to the Managing Director, responsibilities will include full financial cootrol of the business, the legal duties of Company Secretary and management of the logistics operations,

Picase apply in writing quoting reference 901 with full career and salary details to:

Richard Pearson Whitehead Sciection Limited 4 The Courtyard, 707 Warwick Road

- Initial priorities will encompass a full review of organisation and personnel to ensure the achievement of a highly focused and dynamic team.
- Potential candidates must be qualified accountants, with strong leadership skills, and the ability to make things happen. Experience within an f.m.c.g. company will be beneficial but intellectual ability and positive attitude are more important.
- Probably aged 30-40. A mature and highly motivated individual who is action orientated and does not accept secood best. A second language, preferably French

Whitehead SELECTION

Tax Partner

North Home Counties

louche

Ross

To £65,000 Package + Relocation

Our client is a well-known and ambitious National firm of Chartered Accountants with a thriving network of offices in the North Home Counties. Real growth, and the desire to capitalise on further opportunities for new business, has led to the need to recruit an energetic Tax Partner. Key objectives of the role will be:

- To head up the Tax Practice, providing appropriate advice to further increase fee income and profitability. • To deal with the more complex clients, and to create leadership in taxation
- knowledge for the rest of the pracoce.
- To contribute to the creation of ideas and opportunities for the firm to demonstrate its skills to the market place.

The successful candidate will ideally be ACA/ATII qualified, aged 30's-early 40's, technically sound and with broad ranging Corporate Tax experience, particularly in relation to Owner Managed Businesses. Of paramount importance will be excellent communication skills, presence and credibility, combined with a demonstrably successful markeding and practice-development track-record.

Interested candidates should telephone Martin Purrier ACA on 0171 836 9501 (evenings/weekends 01483 747054) or write to him, enclosing a CV, at Douglas Llambias Associates, 410 Strand, London WC2R ONS. All enquiries will of course be treated in the strictest confidence.



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APPOINTMENTS WANTED

EXPERIENCED FINANCE DIRECTOR

FOR HIRE

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- Full-time Permanent
 Part-time

Very commercial. A deliverer and achiever.

Tel: 01256 381757

Entrepreneurial

Finance and Operational Chartered Accountant, Aged 30, seeks short term contracts.

Please write to

Box: A5065, Financial Times, One Southwark Bridge, London, SE1 9HL

Group Accountant

to £38,000 + carCentral London

Our client is a major UK consumer product Group with a worldwide turnover in excess of £5 billion and an active programme for the development of its core businesses internationally.

They now require on additional Group Accountant of high intellect but with a practical bias to join a small Group Accounting team at Head Office which is responsible for monitoring and controlling the financial operations of the Group. The tasks include Statutory accounting under UK GAAP; generating internal and external data for major issues (e.g. ocquisitions and disposals); consolidation of management reporting, budgeting and forecasts at Group level and financial analytical work which will involve the latest techniques for the review of the allocation of resources to Copital and revenue investment programmes.

Applicants should be Chortered Accountants with a high grade first degree in Applied Economics, Accountancy or similar, offering a strong technical background in managerial finance. The person must however have the obility ta put theory into practice, work on routine and non routine matters as part of a team and be able to work to tight timetables. Well developed analytical and communication skills are extremely important.

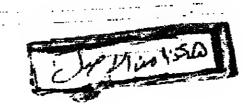
The Group is committed to the development of its people. This is an

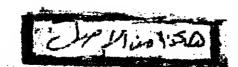
excellent opportunity to extend your financial skills and gain exposure to all ospects of Group Financial management in a dynamic and expanding Group. Future prospects extend to the European operations of the Group in addition to specialist functions of the centre. Age guideline 28-30.

Please apply in writing quoting reference L585 to:

Brian Mason, Mason & Nurse Associates, 1 Lancaster Place, Strand, London WC2E 7EB. Tel: 0171-240 7805.

Mason & Nurse Selection and Search





R.J. REYNOLDS TOBACCO INTERNATIONAL S.A.





The New Frontier

Former Soviet Union

Out client, RJ Reynolds Tobacco International S.A., in 1992 was the first major investor in private cigarette enterprise in the Former Soviet Union. Since then the company has established itself as the recognised market leader with 5 production sites employing in excess of 5,000 staff. The company is committed to further growth in order to enhance its position and status in the industry world-wide.

As a result of recent acquisitions, the company is seeking to recruit five Financial Directors for its operations throughout the region. Reporting to and assisting the local General Manager, responsibilities will include:

· design, implementation and administration of pc

based information systems; installation and development of robust financial

controls and reporting procedures; training and development of local staff in accounting

together with a generous and attractive remuneration puckage to attract the very best.

Interested applicants should forward a comprehensive CV, including current salary package and daytime telephone number to Gary Watson at Michael Page International, Page House, 39-41 Parker Street, London WC2B 5LH.

to control of working capital - in particular, cash flow. **ATTRACT** standard costings and inventory issues. Candidates must be qualified accountants with a successful track-record gained in an FMCG/ manufacturing environment who can demonstrate a "hands-on" approach to the business and the

Michael Page International

VERY BEST

PACKAGES

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Finance Directorate Financial Planning Services Division

"Enfield Means Business"

Economic Development Accountant

£31,600 to £33,400 inc. London Weighting, the starting salary dependent upon experience.

Enfield has adopted an Economic Strategy, has Objective 2 and Assi Area Status from the European Union and has been successful in bidding for resources from the Single Regeneration Budget. There is, therefore, an exciting opportunity within the London Borough of Enfield for an Economic Development Accommant.

We are looking for an enthusiastic accountant with knowledge of both

mublic and private sector finance, European and other funding regimes, and an understanding of the commercial world.

The successful candidate will provide a full financial service to the Council's Economic Development Unit and ensure that Enfield maximises all sources of funding applicable to this activity. You must be a qualified accountant with the appropriate experience.

· Contributing to the Economic Development Unit's etrategic

· Working with the International Development Officer on all sources of **European Funding**

 Supporting and monitoring individual projects king new and innovative ways of financing programme

In addition to the competitive salary we offer-• Generous leave entitlement and flexible working hours

Contributory pension scheme
 subsidised car loan scheme

For further details and an application form, please telephon 0181-982 7340 (24 hour answerphone) or write to the Personnel

Manager, Finance Directoral P.O. Box 54, Civie Centre, Bilver Street, Enfield, Middx EN1 XXF.

We other a smoke from enviro

Our client is an extremely successful, fast growing vendor of client/server systems software with worldwide operations in Europe, including Germany and the UK, and the US. The company is the unchallenged leader in its product market and is set to build a similarly strong position in several new emerging markets, positioning it for continued annual growth in excess of 50%. With a view to an IPO on the NASDAQ stockmarket within the next two years, the Company is now seeking to further establish its worldwide infrastructure with the

intellectual ability to contribute to strategic decisions.

Equally important are the personal qualities which

must include confidence, maturity, flexibility, drive,

energy and commitment together with the ability to

identify and manage change. Fluency in English is a

pre-requisite whilst a working knowledge of Russian or

These are exceptional opportunities offering a high

level of responsibility, excellent career prospects

German would be useful but is not essential

Chief Financial Officer

Boston USA

Reporting to the Chief Executive, this broad role encompasses responsibility for both Finance and Administration activities worldwide. Key aspects include:

 The development of the company's finance function to support ambinous growth plans. Key emphasis is on the design and implementation of financial control and reporting systems across the entire organisation.

The preparation of the company for an Initial Public Offering on NASDAQ and management of the external constituencies thereafter.

The supervision and management of all administration and financial matters worldwide.

The successful candidate should have gained senior management experience in a publicly quoted company, preferably on NASDAQ, and be familiar with the requirements of companies in fast-growing technology industries. Reference HH/605.

Financial Controller

Munich

Working closely with the CFO and Financial Controlling staff in the other operating subsidiaries, this position entails the responsibility for the Group Financial Control function. Specific responsibilities include:

 The preparation of the company's financial statements, both under US GAAP and local accounting standards.

The financial planning, forecasting and analysis, both at subsidiary and consolidated

 The enhancement and integration of existing financial control and reporting systems across the organisation.

The Ideal candidate is MBA-qualified with a minimum of two years experience in a financial controller role. Alternatively, qualified accountants with a corporate background may qualify. Due to the international scope of the position, fluent English and a strong command of German are essential, as is the readiness for a fair amount of International travel. Reference HH/606.

Both positions offer attractive compensation packages, including bonus and stock option schemes, and rapid career progression within a fast growing organisation. We would like to encourage applications from both European and American candidates meeting the above requirements and also want to address individuals currently active both within and outside the Information Technology industry. If Interested, please send a detailed CV including your current salary, earliest availability and a daytime relephone number to Harald Heil or Stephen Burke at Michael Page Deutschland GmbH, Mainzer Landstr 39, D-60329 Frankfurt, or to Peter Gerrard at Michael Page, 39-41 Parker Street, London WC2B 5LH, quoting the appropriate reference numbers. We guarantee that your application will be treated strictly confidentially.



Michael Page International

International Recruitment Consultants London Paris Amsterdam Dusseldorf Frankfurt Hong Kong Sydney

INTERNAL AUDIT -TREASURY

Our client, a major Irish financial institution, is seeking experienced internal Audit professionals for its Group Treasury operation, based in Dublin.

AUDIT MANAGER

Reporting to the Group Chief Internal Auditor, the Audit Manager will be responsible for the management of audit staff in performing objective independent appraisals of treasury management standards, controls and procedures throughout the Group.

Candidates should have at least five years' post qualification experience, with an emphasis on investigation work and the audit of financial services. A background at senior level with a large professional firm or financial institution combined with an appropriate professional qualification, with excellent analytical, interpersonal and team leadership skills, drive and ambition are sought.

A substantial salary, together with a generous fringe benefits package is envisaged.

SENIOR AUDITOR

Reporting to the Audit Manager, the appointee will carry out independent appraisals of the Group's internal controls environment, either as a team leader or working solo.

Candidates should possess an appropriate professional qualification. Experience in areas such as confirmations, brokerage, controls over open currency and interest rate positions, counterparty exposure and electronic payment systems would be an advantage.

Personal attributes sought would be strong analytical and communication skills, high energy levels, a willingness to travel and commercial acumen. An attractive package comprising a competitive salary and financial

sector fringe benefits is envisaged. Please apply in strict confidence, enclosing a comprehensive c.v. to:



Patrick I. Feeney Orion Executive Search & Selection Limited, 64, Northumberland Road, Ballsbridge, Dublin 4.

APPOINTMENTS ADVERTISING

appears in the UK cultion, every Wednesday & Thursday and in the International edition every Friday For further information please call:

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Corporate Finance Manager

London

£40,000 - £50,000 p.a. + Bonus And Benefits Our client is a substantial UK group known throughout the world for its creative excellence. In an area of the entertainment sector experiencing radical changes, as the result of both technological developments and customer demands, this client is taking significant steps and is investing heavily to ensure it remains at the forefront of this exciting field.

At the centre of this well-respected organisation is the Corporate Finance function which provides business analysis to the Director of Finance, the Chief Executive and the Board. As part of the department's ever increasing brief a new position

This role will be heavily tovolved in determining the strategic direction of key areas of the business. Responsibilities will therefore include:

Capital investment analysis with particular emphasis on new industry-wide and

Financial, market and competitor analysis.

Providing financial advice to senior management on proposed actions.

• Direct influence on business efficiency and areas of potential development Additionally you will be heavily involved with a wide variety of projects associated with organisational growth. You will be a MBA and/or a commercially driven Accountant (ACA/ACMA/ACCA) who has worked on business development and strategic matters from a financial perspective. You must be able to demonstrate good analytical skills and commercial awareness as well as excellent presentation and influencing skills. You will have a blue-chip background which may include

This role offers the opportunity for early high profile exposure and full involvement in key business issues. To discuss this position further write to Karen Wilson at Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London, ECAA 1DY



FINANCIAL CONTROLLER CITY LONDON

SALARY C.£45,000 + BENEFITS

Gerald Limited is the London brokerage division of an international commodity brokers with offices in Europe, USA and the Far East, and are members of all major future and options exchanges in London and New York. The Company is seeking applicants for a management

position to head the accounting function. The Financial Controller will be responsible for SFA financial compliance and statutory/management information, reporting directly to the Board. The Controller will head a department of 9 staff and will be involved in all aspects of the Company's business.

With a commodities or trading background, the successful applicant will be a qualified accountant (ACA/ACCA) age 30+ with good systems experience and effective communication skills.

Please submit CV and letter indicating current salary to: Nikki Vernon Browne, Personnel Manager, Gerald Limited, Europe House. St Katharine by the Tower, London El 9AA.



dling products and services that create leader in delivering information has petitiveness for custos rs. Founded in 1882. Moore has approximately 20,000 employees and over 100 manufacturing facilities serving customers in 59 countries with annual sales of US \$2.4 billion.

Internal Auditor (French speaking). a qualified accountant aged herween 25-30

The position will involve performing audh assignments and special projects at Moore locations throughout Europe. You will report to the Audit Manager located in the Netherlands. A minimum travel content of twenty weeks can be anticipated. An active policy of internal promotion from the audit department is pursued for individuals who have proven themselves over a minimum

The successful candidate will be based in either the UK, France or Netherlands. The ideal candidate should be

period of two years.

NIGEL WRIGHT

experience, will be offered. Please apply without delay, in writing to Nigel Wright, B.Sc., A.C.A. Nigel Wright Consultancy. North Street Court, North Street

years, with several years audit experience

with a big six firm. Good communication

along with strong PC knowledge. English

An attractive salary, dependent upon

and French language skills are a must.

skills, both oral and written, will be required

East, Newcastle upon Tyne NE1 SHD Tel: 0191 222 0770 Fax: 0191 222 1786

Specialists in Financial Retruitment

Financial **Directors**

Midlands/ North East & North West England/ Scotland

£,40-60,000 p.a. + Substantial Bonus And Car

Our client is a multi-billion pound international group comprising many wellknown names in the industrial and commercial sectors. Significant and positive re-positioning of the businesses has generated impressive financial performance.

The growth and development plans of the Group necessitate the recruitment of a number of commercially-minded Financial Directors for key operational units based in the Midlands, various locations throughout the North East and the North West as well as a position in Scotland.

The positions report to individual Managing Directors and have total responsibility for all the aspects of financial control, support and direction the businesses demand. Successful candidates will have technical and commercial stature as well as the personal credibility and communication skills to command authority and influence day-to-day decision making. Strategic vision and the wider corporate understanding to play a major role in driving the businesses forward are likewise essential.

Many of the businesses have considerable potential yet to be fully exploited and Financial Directors must be leading members of the management teams which are tasked with ensuring that maximum benefit is derived as quickly as possible. The Financial Directors appointed will have true business flair and will thrive on positive change. They will be self-motivated, results orientated and operationally 'hands-on', able to develop professional, high quality, finance functions. An affinity to computerised systems is obviously vital with previous experience of implementation or enhancement of systems being advantageous.

Age 35-45 and qualified you will have a minimum of 5 years' experience in a high profile senior financial position. Previous experience of manufacturing, industrial services, contracting, distribution or related sectors is highly desirable. You must demonstrate a successful track record of achievements in large, fastmoving organisations where the Finance function plays a broad commercial role. The package is dependant on both the individual position and each successful candidate's profile and experience with relocation being available if required.

To explore these exciting opportunities further you should submit a recent CV and a note of current salary details to Karen Wilson, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London, EC4A 1DY quoting Ref:



EXECUTIVE SEARCH AND SELECTION

INTERNATIONAL MEDIA GROUP **Exceptional roles for young ACAs**

London

One of the world's largest publishers and information providers, our client is a leader in its chosen markets with interests ranging from scientific journals and online data services to consumer magazines. Highly profitable, annual sales exceed £3 billion, achieving success through strong organic expansion, investment in new products and an active acquisition programme.

Crucial to this successful expansion is the effective integration of newly acquired companies. The London based Audit Team plays a central role in this process, focusing nn high risk areas and identifying continual improvements in efficiency. Working closely with subsidiary Finance Directors, the 5-strong ream acts as a catalyst for the introduction of change, carrying out pre and post acquisition reviews.

in addition the team seeks to eosure the leverage of best practice throughout the organisation, playing a key part in processing knowledge between business units. Members of the team also look at controls within existing businesses, gaining broad exposure to Head Office and subsidiaries, undertaking approx. 25-30% travel to Europe, the USA and Asia Pacific.

to £35k+fx car+bens

Following a series of promotions to senior line management positions, the team requires 2 additional members, who should be ambitlous, bright young ACAs from a major practice. A good degree is essential, together with WP and spreadsheet skills and the ability to communicate effectively both orally and in writing. Successful candidates will probably have 2-5 years' pge, but exceptional newly qualifieds will be considered. European age ability, particularly knowledge of French or German, would be useful but is not essential; more iroportant is the flexibility to be an effective team player yet be strongly self-motivated.

Career prospects in this growing, international environment are excellent and the rewards outstanding. The company operates a comprehensive training and development programme and in addition to an attractive salary and fully expensed car, benefits include health insurance, share option saving schemes and 5 weeks' holiday.

Applicants should contact us on 0171 242 9191, or outside office hours on 0171 231 8272. Alternatively send or fax your CV quoting ref 100, to:



SEARCH & SELECTION 95 FETTER LANE, LONDON 8C4A 1EP TEL 0171-242 9191 FAX: 0171-242 3560

Financial Controller (Shipping)



Based London WC1

ZODIAC MARITIME AGENCIES LTD.

A successful and well established ship management company employing 120 staff in Central London is currently expanding their operations. They now seek a dynamic, self-motivating achiever to manage and nurture a growing team of experienced professionals and contribute to the further development of the company as a whole

Perporting to the Financial Controller, you will enjoy considerable scope to develop the department and its operations. Key responsibilities will include: Preparation of management reports and financial ements, motivating and supervising a learn of

Provision of proactive, commercially led initiatives

The Appointee Experience within a maritime environment

essential for this post. Your key qualities and spengths should include: Excellent financial and man

ercial approach to decision makins Proven supervisory and man-management skills.

Ability to meet strict deadlines.

 Computer/IT literacy and problem solving skills. Preferred are range 28-45.

utiline your interest in this opportunity by writing to Helen Cherry, Director, Accountancy Personnel Executive Recruitment, 7 Glen House, Stag Place, London SW1E SAG, enclosing your CV.

M25/SURREY

Remuneration

c £45k salary

non contrib.

pension

FINANCE DIRECTOR

A senior finance professional is required by a wholesale and distribution business which is a market leader in its industry. The role has been vacated due to the promotion of the previous incumbent within the group. The company has turnover in excess of £30 million and operates from a network of distribution centres throughout the British Isles. The business is highly respected, profitable, focused on growth and is part of a substantial international group.

Reporting to the managing director the role will encompass full responsibility for the financial function including legal and company secretarial esponsibilities. The IT/systems area will also report to you,

Excellent team building and interpersonal skills are a key requirement of the role. You will need to provide financial guidance to the senior management team as well as maintaining strong external relations on behalf of the company. The successful applicant is likely to be aged 35-45 and will have:

A recognised accounting qualification, preferably ACA or CIMA

Energy to contribute to the business allied to a mature style

A broad range of commercial experience preferably in a similar

To apply Hease send a CV including remuneration details to: relands, High Street, Westerham, KENT, TN16 1RQ.

DIRECTOR OF FINANCE

Manufacturing & Distribution

Closing date for applications: 29 March 1995

\$40K

REE :== -

re ,

BERMUDA

For the attention of Mr JC Ma wy - ref.JCM /ar12

CHARTERED ACCOUNTANTS

Excellent opportunities with major C.A. Firm. Applicants must have been articled with one of the large 6'C.A. firms.

> Please submit CVs in confidence to: Sarah Winston, c/o I.R.G. (Rec. Cons.), Guild House, 36-38 Fenchurch Street, London EC3M 3DQ.

> > Package c.£40K +

is needed to manage a divergent product/

marginal and process costing techniques.

Proactive systems leadership is essential,

not only of network PC's but of mini/midi systems like A5400... with a remit

beyond pure financial reporting (making a

knowledge of manufacturing procedures

You must possess a robust management

culture where team play and peer

To apply, please write with a full cv

Wheale or Steven Vass, Wheale

Thomas Hodgins Pic, Executive

Resourcing, 13 Berkeley Square,

quoting ref. no. 1110/FT to Adrian

and systems like MRP advantageous).

style and fit into an entrepreneurial

loyalty is paramount.

Clifton, Bristol BS8 1HG.

inventory range that calls for standard.

Experience of overseas trading and

foreign currency would be useful.

Finance & Operations Director

with well-rounded General Management skills

Up to £50k + benefits + car

London

Our client is a growing services company with a turnover of over £2m. It is experiencing sustained growth and has an enviable client reputation for service and teliability. The company is consolidating its Finance and Central Operations Support to enhance expansion, and now requires a high-calibre, hands-on Executive.

The Challenge:

* Take responsibility for all financial, administrative and central operational support functions, including legal and Human Resources, providing a proactive role to the Managing Director.

* Review and enhance management processes and disciplines in line with business development.

* Take responsibility for operational support including inventory management and stock audit responsibilities.

* Develop very positive relationships with clients and

* You will be a qualified accountant with a strong interest in operational management.

* Probably aged 35-45, you will have an excellent track record in small to medium-sized service

* The credibility and presence to nurture supplier and client relations at a senior level.

Outstanding interpersonal skills combined with

commercial acumen. colleagues, fostering a team approach.

Preliminary interviews will be held on 12th/13th April 1995.

Please reply with full details, including recent salary history, to Andy Moss, GMBM Advertising & Research, 27 Floral Street, London, WC2E 9DP, quoting ref: GTR/1, Fax No: 0171 379 3919.



G M B M Advertising & Research

Progressive Global Media Conglomerate Internal Audit Manager

London

This is an outstanding opportunity to join a progressive international media, television and entertainments group. The organisation is at the forefront of one of the world's most rapidly changing sectors. With a turnover exceeding £2.5 billion and established global interests they are placed to take maximum advantage of the opportunities that lie ahead.

As a result of internal promotion an opportunity has arisen to play a pivotal role in a high profile department, which ensures that the business unlises its substantial resources efficiently. This involves sustaining excellent systems for financial management and business control.

This appointment offers the opportunity to have a significant impact on decision making at the most senior level within the organisation. There will be regular contact with the Board and other Senior Operational Management. You will

provide a business focused service to the group, taking on special projects and value for money audits that follow the rapid developments that have occurred within the business. Additionally, you will supervise a large department of qualified professionals managing projects and initiatives designed to address principal risks faced by the organisation.

The individual we seek will be a qualified accountant with at least two/three years postqualified experience with a Big Six Firm, or within the audit function of a major international business. You will be able to

GOODMAN MASSON SHAW Financial Search and Selection

£40,000-£45,000 + Benefits demonstrate a thorough understanding of

accounting and auditing standards as well as IT and systems issues. Additionally you will require strong presentation skills, the ability to generate credible business relationships flexibility and judgement.

The company has a proven track record in providing career development and promotions for individuals who are able to prove

Please apply immediately. Write to Guy Motthews at GMS -

Goodman Masson Shaw, 2 Bath Street, London ECIV 9DX, enclosing a detailed CV. Tel 0171 336 7711, outside hours, 0181 363 5284,

Fax No. 0171 336 7722. Applications will be treated in the strictest confidence

KPMG

Bristol

undergo rapid change.

A £10 million turriover business, this

institutionally backed manufacturing and

distribution company is polsed, from both

a structural and market perspective, to

Operating nationally and internationally,

marketplace. Owning both the intellectual

property and the manufacturing rights to

they proffer a unique range of products

and services on a business to business basis within a niche of the agri-chemical

their market proposition they are

positioned perfectly to answer the

They require a hands-on operating

Director of Finance, ideally aged

business. Strong cost, inventory.

working capital and cap-X control

between 35 and 40, to control

the finances of this diverse

demands from the growing

environmental lobby.

Finance Director

Manufacturing

c.£35,000 + car + benefits West Midlands

Our cliant is a wholly-owned subsidiary, operating independently within a highly respected group. The company is a leading manufacturer in its specialised fields and this important appointment will play a key part in its plans for further growth and development. Turnover is approaching £8 million and employees number c.150.

Reporting to the Managing Director, and being closely involved in setting the company's strategy, the role will assume full responsibility for the presantation of comprehensive monthly and annual accounts to audit level, the preparation of budgets and forecasts, and for ensuring that strict group reporting techniquas are adhered to.

Candidates, qualified accountants with proven financial and business skills, must posses a high degree of allround commercial awareness to make a real contribution to manufacturing, sales and related activities. Strangth in analysing ratios, labour and material costs, and other P&L indicators will be of paramount importance

Applicants should write with full career and salary details, quoting reference B/535/95. As your application will be forwarded direct to our client, please list on a separate sheet any companies to whom your details should

Write to: Tracy Lowles, KPMG Selection & Search, 2 Cornwall Street, Birmingham B3 2DL

KPMG Selection & Search

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